DOCUMENT FILE

770.00

NOTE

SEE 864.00/873 FOR despatch #-

FROM U.S.S.R.(Davies in Budapest) (NAME) DATED Sept.29, 1937

TO

1—1137 GPO

REGARDING: Hungarian attitude toward the Little Entente

Repotts regarding-. Rumania's attitude intolerable.

dg

770.00/495

GDG

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DEPARTMENT OF STATE

DIVISION OF EUROPEAN AFFAIRS

November 6, 1937.

Summary of Despatch No. 14,
from Legation at Prague,
dated October 11, 1937.

Subject: Hungary and the Little Entente.

The Legation at Prague is of the opinion that the atmosphere existing between Hungary and the Little Entente is beginning to clarify and good will is being expressed on both sides.

At the recent Geneva session where the Foreign Ministers of the Little Entente met Hungary was informed, however, that its proposals regarding minorities could not be accepted as originally submitted, presumably due to the Rumanian attitude. It is expected that a counter-proposal will shortly be presented by the Little Entente states. It is stated that in view of approaching elections in Rumania, the Government there cannot afford to grant any specific concessions lest they be used by political opponents. Also, the Little Entente states seem to be prepared to accept equality in armament for Hungary in return for the latter's assurances regarding non-aggression.

R. D. Coe

Eu:RDC:DG

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1937 NOV 2 PM 3 15

LEGATION OF THE
UNITED STATES OF AMERICA

Prague, October 11, 1937.

No. 14.

DIVISION OF COMMUNICATIONS AND RECORDS

Subject: Hungary and the Little Entente.

DIVISION OF
EUROPEAN AFFAIRS
NOV 3 1937
DEPARTMENT OF STATE

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The Honorable

The Secretary of State,

Washington.

Sir: 860J.001/86

DEPARTMENT OF STATE
NOV 12 1937
ASSISTANT SECRETARY OF STATE

With reference to my despatch No. 2, dated September 18, 1937, in which, in part, I reported the views of the Minister of Foreign Affairs on existing relations between Hungary and the States of the Little Entente, I have the honor to report that further investigation into the subject reveals a continued feeling that the atmosphere is beginning to clarify and that good will toward an understanding is being expressed on both sides.

The

G-J
NOV 13 1937

The "good will" on Hungary's part, however, is to a large extent interpreted here in terms of the general international situation as well as on the conviction that Hungary cannot count on any support from Italy in its revisionist aspirations.

As it will be recalled at the time of the Meeting of the Little Entente at Sinaia, Rumania, the Hungarian Government presented a memorandum and protocol outlining Hungary's wishes with respect to an adjustment and regulation of problems dealing with minorities and rearmament. In return for the Little Entente's approval of Hungary's rearmament as an accepted fact the quid pro quo, as indicated by Dr. Krofta, in my despatch under reference, was the assurance to be given by Hungary that she wished to follow a policy of the "good neighbor" and that her army would not be used for any aggressive purposes against any of the States of the Little Entente.

It appears at the recent session of the League of Nations that Hungary was informed by the three Foreign Ministers of this group that its proposals could not be accepted as originally submitted. This apparently was mainly due to the Rumanian attitude toward the minority question. In this regard I am told that Foreign Minister Kenya of Hungary indicated on that occasion to Dr. Krofta that his Government had not expected to find ready acceptance of the proposals but that it was his hope that they could be used as the basis for further negotiations.

According

According to present plans the minority experts of the Little Entente States are to meet at Bucharest in the near future in order to try to evolve a counter-proposal which may be acceptable to both sides. I am also informed that in so far as the question of equality in armament is concerned the Little Entente appears to be prepared to accept Hungary's assurances given in that respect. Consequently, difficulties are not anticipated along these lines. With regard to an adjustment of the minority problem - while Czechoslovakia and Yugoslavia are not actively, or in principle, opposed - it is given out here that the Rumanian Government, in view of approaching elections, cannot afford to grant any specific concessions lest they be used by opposition parties for partisan purposes.

As a result, the minority experts, at their meeting in Bucharest, will endeavor to prepare or develop a proposal which, if acceptable to both sides, will assure proper treatment to the minorities and the observance of the policy of the "good neighbor". It is not believed that the counter-proposal can contain any specific arrangements or concessions but that it will simply invoke the good will of the two sides.

Respectfully yours,

Wilbur J. Carr.

VC/EJ
710 Little Entente

Copies to: Budapest,
Bucharest, Belgrade.

DEPARTMENT OF STATE

DIVISION OF EUROPEAN AFFAIRS

November 6, 1937.

Summary of Despatch No. 448,
from Legation at Bucharest,
dated October 16, 1937.

Subject: Rumania and Hungary.

Prime Minister Tatarescu took the occasion of an inspection of the initial works on a line of fortifications along the Rumano-Hungarian frontier to make a conciliatory speech regarding minority problems. This was staged in a large minority center and the text of the discourse appears to have been presented to the King for advance approval and arrangements were made for its broadcast. That Tatarescu selected this particular occasion for a discourse is perhaps significant, but one wonders just what the Hungarians thought of the erection of a line of fortifications along the frontier. Nevertheless, the speech does show that Rumania has adopted a conciliatory attitude towards the problems of minorities.

R. D. Coe

Eu:RDC:DG

LEGATION OF THE
UNITED STATES OF AMERICA

No. 448 Bucharest, October 16, 1937.

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DEPARTMENT OF STATE
1937 NOV 2 PM 3 07

Subject: Prime Minister Tatarescu's Statements Regarding Hungary and Minorities.

DIVISION OF COMMUNICATIONS AND RECORDS

DIVISION OF EUROPEAN AFFAIRS
NOV 3 1937
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NOV 12 1937

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GDG

The Honorable

The Secretary of State,

Washington.

DEPARTMENT OF STATE
ASSISTANT SECRETARY OF STATE
NOV 11 1937

Sir:

That Rumania is now actively pursuing the present avowed policy of the Little Entente to work toward a détente in relations with Hungary was again apparent in a speech which I have the honor to report was delivered at Oradea Mare on October 9th by Prime Minister Tatarescu wherein he declared that Rumania's forces were dedicated to the defense of peace, extended a friendly hand to Hungary and intimated Rumania's willingness and desire to ease the friction arising out of the minorities problem. That considerable importance

was

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was attached to the speech by the Rumanian Government was made manifest by several circumstances, namely, that it was announced several days in advance, it was staged in a large minority center only five or six miles from the Hungarian border, the text appears to have been presented to the King for advance approval and arrangements were made to have it broadcast. And, to judge from local comment and from news despatches from other countries published in the Bucharest press, Mr. Tatarescu's aim of clarifying before a wide hearing the Rumanian position with regard to the Hungarian and minority questions was, in large measure at least, achieved.

The occasion of which the Rumanian Premier availed himself was a visit to inspect the initial works on a line of fortifications to extend the length of the northwestern, i.e., the Rumano-Hungarian, frontier. Stressing first the idea that Rumania's great efforts to build up her army and armaments must be looked upon as having a purely defensive character and, so, being inspired by the will to peace, he went on to say that Rumania is ready to collaborate with those whom "the vicissitudes of history have placed on the path of great misunderstanding in the past" and, finally, clearly indicated that Rumania is disposed to reasonable amenability in the matter of the minorities. A full translation of
1/ the speech is attached hereto.

Following the Little Entente-Hungarian conversations at Sinaia and Geneva (despatches Nos. 427 and 441 of September 4 and October 4, 1937, respectively), this speech constitutes one further effort to clear the road

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to

to an understanding with Hungary and undoubtedly deals specifically with those points which have so far proved to be the stumbling blocks in the way of a rapprochement. It says, in effect: "These new fortifications contemplate a day in the near future when Hungary will have equality of armaments (which must, of course, be obtained by negotiation and not by unilateral action), so that obstacle is removed. Rumania is prepared to seek a mutually satisfactory formula for minorities treatment (although Rumania perceives no substantial abuses now), which removes the second obstacle of which Hungary has spoken so much. Now, let Hungary but abandon, sincerely and definitely, her hopes of frontier revision, and full accord can be achieved."

Tatarescu's speech was most favorably commented in the local press. Brief extracts from several leading articles on the subject are enclosed herewith in translation.

2/

Respectfully yours,

Frederick P. Hibbard

Frederick P. Hibbard,
Chargé d'Affaires ad interim.

2 Enclosures:

1- Translation of Tatarescu's speech.

2- Press Comment.

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Copy to Budapest.

In translation from UNIVERSUL (independent, nationalistic, anti-Semitic) October 11, 1937.

Enclosure No. 1 to Despatch No. of October 16, 1937 from American Legation at Bucharest, Rumania.

FULL TRANSLATION

PRIME MINISTER TATARESCU'S SPEECH AT ORADEA MARE
OCTOBER 9, 1937.

I thank you, in the name of the Government, for the feelings of confidence which you have so warmly expressed. This manifestation is especially dear to us because it takes place at a frontier point of the country where, as at all the other frontier points, the feeling of responsibility must be permanently alive and patriotism permanently alert and creative.

Gentlemen, I came here accompanied by the military collaborators of the Government to inspect the initial works on our frontier fortifications. Within the broad program of endowment elaborated under the persistent guidance of His Majesty the King, the Government has been able to proceed in the execution of this last chapter of the measures taken with a view to increasing our military power.

The program of frontier fortifications will be completed in a number of years. A girdle of stone and iron will mark our frontiers and within them the country will be able to continue its task of organization and progress in security and peace.

In beginning this great undertaking we are convinced that we are laboring for the defense of the country and especially for the defense of peace. Strong and armed, we will disarm any attempt; weak and undefended, we will encourage every appetite. By our strength we remove war; by our weakness we invite it and provoke it. Under the present circumstances, strength signifies peace and weakness signifies war.

That is why these casemates, which are intended to assure our frontiers eternally, are, at the same time, also the casemates of peace.

On the occasion of this solemnity, which is also an act of affirmation of the growing power of our State, we again proclaim our desire for peace and the burning desire to live on friendly terms with those whom in the past the vicissitudes of history placed upon the path of great misunderstanding. We declare on this occasion that we are ready to collaborate with them for the consolidation and the defense of peace and to organize our living together in this region of Europe on the basis of respect for right and the harmonization of interests. We extend a friendly hand to those who share these faiths and these feelings, to all those who are animated by this desire of peace and collaboration.

Speaking in a town with an important minority population, I desire to state that we wish to consolidate the normal relations and the reciprocal confidence of the minorities living with us and embraced forever in our national state, with the minorities whom history has placed for centuries within the confines of the frontiers possessed

possessed by our nation. For we wish to forget all the injustices which in the past raised a wall of historic hatred, and guided by the spirit of the times in which we live and within the framework of our laws, which have arisen out of equity and justice, we wish to assure to these minorities all the conditions necessary to their free development.

As for the misunderstandings and the difficulties which arise naturally in relations between the majority and the minorities, they can always be resolved in the atmosphere created by the broadest spirit of understanding and of conciliation.

In benefiting by this treatment, it is the duty of the minorities, however, not to forget at any time that they must loyally fulfill all the obligations which they have toward the Rumanian State, and that, among these obligations, the first one is that of indentifying themselves with all the interests and aspirations of this State, which guaranteed them, at the price of sacrifice their language, their faith and their progress.

Equally, it is the duty of the minorities not to look with mistrust on the task of encouraging the Rumanian element, which, especially in the united provinces, must be helped to be able to reach the level of material and cultural development demanded by the majority element in any national State.

This task of improvement, this task of historic reparation, which has been started by our Government and which will have to be continued by all the governments to follow, has not and never will be fulfilled by acts committed against the minorities. The oppressed of yesterday will never be transformed into oppressors.

In turn, the minorities themselves, to give proof of understanding, must in their own interests collaborate with sincerity in the execution of this task of reparation, thus contributing to the elimination, in their relations with the national majority, of the last vestiges of misunderstanding and discord.

Peace and understanding without, peace and understanding within---in the framework of this permanent command will the life of the Rumanian State be directed.

Gentlemen, in concluding this declaration, I wish to make an appeal.

The fortification of the country's frontiers must be the collective task of all Rumanians. This task must also be a symbol. Each Rumanian should place a stone or bring a shovel of earth to raise the girdle of defense which will guarantee the intangibility of the territory.

Who cannot make this contribution physically should make it financially. Each according to his own conscience, and each according to his ability.

Thus the fortification of the frontiers will be the most elevating privilege for the affirmation of national solidarity.

I direct this appeal to every Rumanian conscience.

(In Translation)

Enclosure No. 2 to Despatch No.
of October 16, 1937, from the
American Legation, Bucharest.

BRIEF EXTRACTS FROM RUMANIAN PRESS

REGARDING TATARESCU'S SPEECH AT ORADEA MARE

OCTOBER 9, 1937

L'INDEPENDANCE ROUMAINE (official French organ of National Liberal Party), October 10.

.....It is certainly not a simple coincidence that after the words of appeasement and of concord which Mr. Milan Hodza, President of the Czechoslovak Council, pronounced at Bratislava and after the animated declaration of the same sentiments made by Mr. Stoyadinovitch, Prime Minister of Yugoslavia, the chief of the Rumanian Government expressed, in turn, the firm will of Rumania to facilitate in all possible ways the application of a policy of conciliation, of collaboration and of pacification in the Danubian Basin.

ADEVERUL (independent, democratic), October 12.

.....Mr. Tatarescu addressed a word of friendship to Hungary. This policy of détente vis-à-vis our neighbor of the West is an old desideratum of the Little Entente. Yugoslavia and Czechoslovakia have already said their word; Mr. Tatarescu has just given it the adherence of the Rumanian Government.

VIITORUL (Government party's official organ), October 12.

The statements of the Prime Minister should be considered as a preface to the policy of détente vis-à-vis Hungary, a basis of the principles which constitute the force of the Little Entente and the framework of its common political activity to the end of establishing a stable equilibrium, a loyal collaboration in the respect of right and in the harmonization of interests in a spirit of harmony and peace.

Affirmation of the pacifist spirit which dominates the policy of Rumania and the Little Entente appears in evident fashion from the declarations of Mr. Tatarescu as well as from those made on different occasions on this subject by Messrs. Milan Hodza, President of the Czecho-

slovak

slovak Council of Ministers, and Stoyadinovitch, the Yugoslav Prime Minister.

DIMINEATA (independent, democratic), October 12.

It has dissipated certain doubts and certain uncertainties concerning the attitude of Rumania in the negotiations conducted by the countries of the Little Entente with Hungary with a view to achieving a real détente in this part of Europe.

LUPTA (independent, unofficially National Peasant), Oct. 12.

A high national conscience is apparent in the declarations of the President of the Council.

They express the thought of the country and they express it in words which rang out at Oradea, at the Hungarian frontier----

ADEVERUL (independent, democratic), October 14.

By these precisions Mr. George Tatarescu has furnished a happy complement to the negotiations which have been carried on at Geneva, where Mr. de Kanya insisted upon the necessity of creating a better atmosphere "by realizing a détente in the question of the minorities." The President of the Council had the good idea of dealing with this question outside of the more or less secret negotiations conducted so far. After the Oradea speech all Europe knows the intentions of Rumania in the matter.

LUPTA, October 14.

Mr. Tatarescu has spoken openly. We fortify the frontiers: if there remain any Hungarians who believe in the possibility of territorial revision, then it is so much the better if they interpret the choice of Oradea as being symbolical.

LE MOMENT (independent, in French), October 15.

The Oradea speech was in some ways an open letter addressed to the Hungarian Government.

What chances will the pourparlers at Geneva, between the representatives of the Little Entente and the delegates of Hungary, now have of arriving at an accord?

The best, if Hungary sits at the green and round table with the sincere and firm intention of dealing with Rumania without any mental reserve on the subject of her frontiers.

If our neighbor renounces all territorial claims and all revisionist ambition, all her other pretentions will find a good reception and Rumania will hold out to her a loyal and friendly hand.

The right of rearming which she claims, and the economic facilities which she wishes to obtain, and the guarantee that she intends to secure for her minorities,---all that could be resolved in the general plan of the reorganization of the Danubian Basin if Hungary made the gesture capable of proving to us that her forces will be purely defensive, that her prosperity will have no warlike aims, and that her minorities will serve on our territory no other cause than that of the Rumanian nation.

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LEGATION OF THE
UNITED STATES OF AMERICA

Budapest, October 23, 1937.

No. 856.

SUBJECT: Interview of Foreign Minister de Kánya.

DIVISION OF EUROPEAN AFFAIRS
NOV 3 1937
DEPARTMENT OF STATE

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NOV 9 1937
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The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to enclose a copy of a translation of an interview given by Foreign Minister de Kánya in the KURJEV WARSZAWSKI of Warsaw of October 17, 1937, and reprinted in the local Hungarian press on October 19, 1937.

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Respectfully yours,

Howard K. Travers,
Chargé d'Affaires a.i.

Enclosure:
1. Translation of
Interview of
Minister de Kánya.

In quintuplicate.

Legation file 710

GDG

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Enclosure to Despatch No. 856
of October 23, 1937 from the
American Legation at Budapest.

T R A N S L A T I O N.

SOURCE: Hungarian press,
October 19, 1937.

Interview of Foreign Minister
de Kánya published in the
KURJER WARSZAWSKI of Warsaw
of October 17, 1937.

Replying to a question concerning the discussions between Hungary and the Little Entente States, Foreign Minister de Kánya made the following statement:

"It is generally known that, on the occasion of the conference of the Foreign Ministers of the Little Entente held at Sinaia at the end of August, the exchange of views, already started at an earlier date and aimed at a normalization of relations between Hungary and the Little Entente States, was resumed in the form of direct discussions. These discussions were subsequently continued at Geneva, where I personally conferred on this matter with the representatives of the three Little Entente States.

"At these discussions Hungary has two set aims. On the one hand, it is thinking of rendering effective service to the cause of European peace by establishing more normal relations between itself and the Little Entente States. On the other hand, it wishes to give a new impetus to the arrangement of the exceedingly important problem of national minorities. In view of the present difficult situation and sad lot of the Hungarian minorities, it is indispensable for the creation of a better atmosphere that this question be resolved.

"The views so far exchamged between the interested Governments have cleared certain questions of principle, in the first place regarding Hungary's military equality. The minority problem was also the object of thorough discussion.

"It is quite natural that such discussions are not without difficulties, especially since Hungary, being unable to confer with the Little Entente - i.e. with a collective factor - carries on discussions separately with the three States of the Little Entente, and it is not always easy for these latter to find a common denominator for their attitudes, especially in the minority question.

"Even

"Even though an agreement in principle is possible, the drafting of adequate texts may still provide many difficulties. It is therefore evident that the road leading to the normalization of relations between Hungary and the Little Entente States is long and wearisome, and that much patience is needed. Hungary, never losing from sight the interests of general peace, would like these discussions to produce some result. The success of the discussions primarily depends, however, on the attitude of the Little Entente States towards the minority problem."

(What is Hungary's attitude towards the Spanish problem?)

"Owing to its geographical position, Hungary is not directly interested in the Spanish problem; it is, however, very much interested in the maintenance of peace in Europe. Its attitude towards developments is, and shall also in future be, based on this consideration."

(What does Hungary think of cooperation between Rome and Berlin.)

"Close ties of friendship attach Hungary to both Germany and Rome, the two countries of the Rome-Berlin axis. In view of this we are naturally greatly pleased with the mutual friendship between the Italian and German nations. At the recent manifestation of such friendship, on the occasion of the visit paid by Mussolini to Hitler, the Hungarian public, with sincere pleasure, took note how strongly the idea of service of the cause of peace, towards which Hungarian foreign policy is aimed, was expressed in the statements made by the two Heads of Government."

(What is Your Excellency's opinion of the part played by the League of Nations, and of its significance?)

"Hungary has always shown a sincere understanding for the superior task of the League of Nations, which consists in fostering and developing, in accordance with the Covenant, the sublime idea of international justice and in maintaining peace among the nations by the prevention of war through a system based on the rule of justice. For this reason people in Hungary regret to see that in recent years the balance of the political activity of the League of Nations has been very passive and that, contrary to successful activity in technical matters, the results achieved from the political point of view have been very inadequate.

"It

"It seems that the League of Nations itself realized the seriousness of its crisis and for this reason it put up for discussion the problem of a reform of the Covenant. If such a reform is fortunately effected, there may be a justified hope that in the future the League of Nations will be more equal to its noble task. According to Hungarian opinion, the central problem of the reform of the Covenant would be the establishment of a fair equilibrium of the preventive and repressive stipulations of the Covenant, because we are convinced that by sanctions only the League of Nations will never be able to insurepeace among the nations.

"An organization more adequate than the present organization of the League of Nations is needed for establishing genuine and lasting cooperation among the nations within an organized community. One must find a system which allows for greater consideration of the requirements of such an international community and of the aspirations of every member of this community."

(How do matters stand with the Rome Protocols, and what are Your Excellency's ideas as to their possible revision?)

"One cannot speak of any revision of the Rome Protocols, because the general political and economic cooperation for which they provided prevails unchanged. It is natural, however, that the commercial agreements concluded between Hungary and Italy should be changed from time to time in accordance with altered circumstances. An instrument for such modification was provided from the outset by the creation of a mixed Italo-Hungarian committee which meets at frequent intervals."

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NOTE

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SEE 740.00/217 FOR tel #52 1pm

FROM Hungary (Montgomery) DATED Oct. 30, 1937
NAME

TO

Conversation with Kanya.

REGARDING: Yugoslavia and Czechoslovakia willing to come to an agreement but Rumania feels insecure and fears the effect on the coming elections. Nothing further will be done until after Rumanian elections. Relations with Little Entente much better.

dg

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NOTE

SEE 741.62/192 FOR Tel. 1694- 5pm

FROM France (Wilson) DATED Nov.15,1937

TO NAME

1—1127 GPO

REGARDING: Position of the Little Entente. If this neutral policy of Rumania should exert itself in the new government it could only have the result of making the,- even more uncertain.

fp

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DEPARTMENT OF STATE

DIVISION OF ~~WESTERN~~ EUROPEAN AFFAIRS

Despatch No. 873, Nov. 15, 1937
from Budapest.

Subject: Relations between Hungary and the Little Entente.

Negotiations for improvement in relations between Hungary and the Little Entente have come to a full stop and no prophesies can be made with regard to the future until the results of the elections in Rumania become known.

Relations between Hungary and tow of her neighbors (Yugoslavia and Czechoclovakia)have improved since the Spring, but relations with Rumania are still unsatisfactory. The latter condition arises chiefly from the treatment of the Hungarian minority in Transylvania.

****

Note by JF.

The visit of Delbos to the Little Entente countries may have some influence on this problem, especially in view of the London Communiqués reference to the interest of France and Britain in maintaining peaceful conditions in Central Europe.

EU:JF
FF

LEGATION OF THE
UNITED STATES OF AMERICA

Budapest, November 15, 1937.

No. 873.

SUBJECT: Relations between Hungary and the Little Entente.

DIVISION OF EUROPEAN AFFAIRS
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DEPARTMENT OF STATE

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DEC 6 - 1937
ASSISTANT SECRETARY OF STATE

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DEC 8 1937

Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to paragraph 3 of my telegram No. 52 (499) of October 30, 1937, in which I informed the Department of my conversation with Foreign Minister de Kánya regarding the negotiations between Hungary and the Little Entente.

As will be seen from the Legation's despatch No. 872 of November 15, 1937, the Foreign Minister

on

GML

on November 9th reiterated to the Foreign Relations Committees of the two Houses of Parliament the same information which he had given me on October 29th. Mr. de Kánya, in his speech, confirmed the fact that the negotiations have now come to a full stop and that no prophesies can be made with regard to future developments until the results of the elections in Rumania become known.

There has been a material change for the better since last Spring in the relations between Hungary on the one hand and Czechoslovakia and Yugoslavia on the other. The tension has apparently gone and, while no actual agreement has been negotiated, relations of Hungary with these two States appear to have greatly improved. The press campaign against Hungary seems to have ceased in Czechoslovakia and Yugoslavia, and the press in Hungary is equally quiet regarding these two countries. There is little or no minority trouble with Czechoslovakia and Yugoslavia. The Czechoslovak Minister in Budapest is much more favorably disposed toward Mr. de Kánya than he was last Spring, and the Yugoslavs appear to be quiet and friendly. Eckhardt believes that this situation, as regards Yugoslavia, will last as long as Prince Paul and Stoyadinovich remain in power; a change of Government in Belgrade might bring a reaction in the relations with Hungary.

Relations with Rumania are still unsatisfactory.

Bitter

Bitter complaints regarding the treatment of the Hungarian minority in Transylvania are an almost daily feature of the Hungarian press and of the Parliamentary sessions. De Kánya and Apor say that the minority problem in Rumania exists not because the Tatarescu Government favored it, but because the state of mind of the Rumanian people made any other policy impossible. The Czechoslovak Minister, Mr. Kobr, told me that his Government had made a special effort to influence King Carol, during his recent visit to Prague, along the lines of coming to an agreement with Hungary.

Respectfully yours,

John F. Montgomery.

In quintuplicate.
Legation file 710.

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

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ADVISER ON POLITICAL RELATIONS
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DIVISION OF
COMMUNICATIONS
AND RECORDS

AMERICAN EMBASSY

Ankara, Turkey,

November 18, 1937.

No. 428

Subject: Conference at Ankara of General Staffs of Balkan Entente.

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DEC 15 1937
DIVISION OF
NEAR EASTERN AFFAIRS

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report that the General Staffs of the armies of the members of the Balkan Entente have just terminated a conference at Ankara. The principal visiting delegates were as follows:

GREECE - General Papagos, Chief of General Staff;
General Zoiopoulos;
Colonel Averof;
Colonel Alestas;
Lt. Col. Kalogheropoulo;
Lt. Col. Vimbilis;
Lt. Col. Kritilakis;
Lt. Col. Corozos;
Lt. Col. Petropoulo.

FP

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DEC 28 1937

RUMANIA -

RUMANIA - General Sikitiu, Chief of General Staff;
General Popescu;
Colonel Juvanitiu;
Colonel Antonesco;
Lt. Col. Tutoresco.

YUGOSLAVIA- General Neditch, Chief of General Staff;
General Bodi;
General Yankovitch;
Colonel Yosimovitch;
Colonel Stoycevitch;
Captain Knejedicitch.

The delegates arrived in Ankara several days before October 29th, the anniversary of the Proclamation of Turkish Independence, and took part in the ceremonies and celebrations incident to that occasion. They also attended the entertainments in honor of the Rumanian Prime Minister who visited Ankara during the last few days of that week; and there were, moreover, innumerable social functions in honor of the members of the General Staffs themselves.

November first and second were devoted to conferences with members of the Turkish General Staff. On November 3 the delegates visited the military schools at Ankara, after which they went on a tour which included Karikkalé where there is a military factory; Kayseri, where there is another military supply factory and an aviation plant; and Eskişehir, where the aviation center was the principal sight. Their visit terminated at Istanbul on Saturday, November 6th, and they departed for their respective countries over the week-end.

In a conversation which I had concerning this conference, the Minister in Ankara of one of the members of the Balkan Entente stated that there was no secret military convention between the signatories of the Balkan Entente as people sometimes imagined. He went

on

on to point out that there was no need of any written military agreement when there existed a definite political undertaking which envisaged necessarily joint military action in the case of certain eventualities.* It followed as a matter of course, he said, that the military authorities of the countries concerned should work out among themselves the military measures to be taken jointly when and if a casus foederis arose. The Minister said that the situation resembled a great deal that existing between France and Great Britain prior to the World War when the French and British General Staffs elaborated a plan of joint military action although there was no written military convention but only a political understanding. The Minister referred to Atatürk's message to the Prime Minister of Greece last May in which he declared that "the Balkan frontiers of the allied Balkan States form one single frontier" and said that the members of the Balkan Entente were all now engaged in building up their military strength and the General Staffs of the several armies were striving to reach as complete an understanding as was possible with regard to the joint military action which might be required under certain circumstances to implement the Balkan Pact.

* Article I of the Balkan Pact reads "Greece, Rumania, Turkey and Yugoslavia mutually guarantee the security of all their Balkan frontiers": and the first section of Article II provides that "The High Contracting Parties obligate themselves to agree upon measures to be taken in case of eventualities capable of affecting their interests as defined in this agreement".

Respectfully yours,

Robert F. Kelley

Robert F. Kelley,
Chargé d'Affaires ad interim.

823
SWW:RFK:mej
Copies sent to Athens, Sofia, Belgrade and Bucharest.

ICA - EU

TELEGRAM RECEIVED

DIVISION OF
EUROPEAN AFFAIRS
DEC 15 1937
DEPARTMENT OF STATE

EG
This message must be closely paraphrased before being communicated to anyone. (A-1)

FROM Tallinn

Dated December 15, 1937

Rec'd 9:45 a. m.

Secretary of State,

Washington.

23, December 15, noon.

The Baltic Conference held in Tallinn December 9 to 11 resulted in decisions to strengthen further the present entente by closer collaboration among the three states and reiterating their common front in general international problems including adherence to the League of Nations but to refrain from joining blocs or alliances directed against other nations. Despatch follows.

LEONARD

DDM:KLP

770.00/503

DEC 17 1937
FILED

DOCUMENT FILE

NOTE

SEE 764.65/124 FOR Tel. 3-noon

FROM Yugoslavia (Reed) DATED Jan.14,1938

TO NAME 1—1127 GPO

REGARDING: Opinion of one colleague at the Budapest meeting, that Italy advised making peace with the Little Entente States as a bulwark against German advance towards the Balkans by bringing the Little Entente states into political sphere of the Roman pact rather than into that of the Rome- Berlin axis.

fp

770.00/504

GML

JS A portion of this telegram must be closely paraphrased before being communicated to anyone (E)

BELGRADE

Dated January 14, 1938

Rec'd 4:35 p.m.

Secretary of State,

Washington, D.C.

3, January 14, noon.

(GRAY) Communique of Budapest meeting received generally in Yugoslavia with approval and sympathetic understanding. Even that part dealing with Hungarian rearmament has apparently caused no appreciable adverse reaction. Due to the Prime Minister's departure for Berlin and intervention of Serbian holiday no official statement has been forthcoming but most colleagues do not think it changes situation materially except to put on record certain already known tendencies. (END GRAY).

CONFIDENTIAL. One colleague believes Italy advised making peace with Little Entente states as a bulwark against German advance towards the Balkans by bringing the Little Entente states into the political sphere of the Roman pact rather than into that of the Rome-Berlin axis In this same vein my Italian colleague intimated that the break up of the Little Entente was not desired as it served a useful purpose in Central Europe.

Copy to Rome, Budapest, Bucharest, Praha.

REED

SMS EMB

DOCUMENT FILE

NOTE

SEE 871.00/584 FOR Memorandum

FROM State Department (Hull) DATED Jan. 20, 1938
TO (Secretary)
NAME

1—1127 GPO

770.00/505

REGARDING: Memorandum of conversation with the Rumanian Minister, Charles A. Davila, before taking his departure from the United States.

As to the state of mind of the Balkan countries, especially the Little Entente, stated that many or most of them were gradually assuming an "on the fence" policy.

mb

GME

EU

NF

TELEGRAM RECEIVED

DIVISION OF EUROPEAN AFFAIRS
FEB 2 - 1938
DEPARTMENT OF STATE

HM GPO

FROM GRAY

Belgrade

Dated February 2, 1938

Rec'd 10:35 a.m.

DEPARTMENT OF STATE
FEB 3 1938
DIVISION OF NEAR EASTERN AFFAIRS

Secretary of State,

Washington.

9, February 2, 1 p.m.

Foreign Office informed me this morning that Prime Minister will attend meeting of Balkan Entente in Ankara, leaving here February 14.

Copies to Sofia, Bucharest, Athens and Istanbul.

LANE

KLP

FILED
FEB 3 - 1938

770.00/506

FP

DOCUMENT FILE

NOTE

770.00/507

SEE 864.00 P.R./134 FOR # 943

FROM Hungary (Montgomery) DATED January 18, 1938.
TO NAME

1—1127 GPO

REGARDING: Delbos' Central European visit.

Hungarian press reaction to -

GMB7

Hungarian Press Reaction to Delbos' Central European Visit.

Considerable space and much comment from foreign news sources was devoted to the recent visit to the Little Entente States and Poland by the French Minister for Foreign Affairs, but little editorial comment appeared. The conservative, pro-German UJ MAGYARSAG compared the visit of Delbos to that of Barthou, three years previous, and found that the situation within the Little Entente had changed completely in the interim since, in the original sense of the Franco-Little Entente Accord, only Czechoslovakia remained loyal to France.

The semi-official PESTER LLOYD and the Liberal MAGYARORSAG affirmed that the Delbos-Krofta conversations had made possible a Czecho-Franco-German rapprochement. The former was of the opinion that Delbos had spoken also for Great Britain, and that Franco-British solidarity had been approved by Belgrade and Warsaw. The security in the East of such a combination, however, depended upon how much power it wielded in the West.

MAGYARORSAG thought Poland, Rumania, and Yugoslavia had assured Delbos of their unswerving loyalty to France. Poland, however, had refused to discuss with him its relations with Czechoslovakia, and Rumania had refuted the idea of military cooperation with Russia, which precluded the possibility of its permitting Russian

troops

troops to traverse Rumanian territory enroute to Czechoslovakia. The Yugoslav statesmen had suggested that Prague reach agreement with Berlin, which appears tantamount to saying that the other two Little Entente States would come to the aid of Czechoslovakia only if it were attacked by Hungary, not by Germany. Delbos could be satisfied with his tour as far as French interests were concerned, concluded this news sheet, but he had failed to obtain any advantage for Czechoslovakia.

508

DOCUMENT FILE

NOTE

SEE 760h.68/64 FOR #2069

FROM Greece (MacVeagh) DATED Jan. 24, 1938

TO NAME

1—1127 GPO

REGARDING: Yugoslavian-Bulgar pact of friendship. Interview with Mr. Lazarevitch in connection with visit of the Prince Regent of Yugoslavia to Athens, during which his remarks indicate extent to which the breach opened between Greece and Yugoslavia at the time of conclusion of the,- remains unhealed.

b

770.00/508

GMB

kirton varley
575 fillmore street
san francisco, cal.

February 18 1938.

Eu 861.00/11711
July 22, 1937.

february 14,'38.

The Secretary of State,
Washington, D.C.

ACKNOWLEDGED
F.DG 2-17-38

File

770.00/509

Attention Mr. Pierrepont Moffat,
Chief, Division of European Affairs.

RECEIVED
DEPARTMENT OF STATE
1938 FEB 18 AM 10 31
DIVISION OF COMMUNICATIONS AND RECORDS

Sir:

I have been thinking of writing to your Department for some weeks past on the matter of the Danubian federation project. Recent developments in Central Europe make me wish that I had done so before.

770.00

To my view the present time is opportune to revive this project. The first step towards it should, in my opinion, be an alliance between Austria, Czecho-Slovakia and Hungary under a loose federal form embracing economic unity in trade and customs, communications and defence. This could be accomplished with much less internal and external opposition if the matter of political unity were left in abeyance.

If this system could next be extended to Jugo-Slavia, Roumania and Bulgaria it would, in my view, stabilize Central Europe and be mutually beneficial to the parties of the federation. It might even appeal to Germany to join in as a partner instead of as a dictator. Economic solutions neutralize political antagonisms.

Such an arrangement could be made attractive, in the first place, to Italy. I am not mentioning this matter to anyone except to your Department.

Very truly yours,

Kirton Varley

FILED
FEB 18 1938

Re Spain: The only solution to the Spanish affair that I can see is for the factions to stop fighting and each administrate the respective territories they now hold. I say this thinking that the Nationalist faction might eventually win this way.

February 18 1938.

In reply refer to
Eu 770.00/509

Mr. Kirton Varley,

575 Fillmore Street,

San Francisco, California.

Sir:

The receipt is acknowledged of your letter of February 14, 1938, in which you suggest the formation of an economic unit in Central Europe. Note has been made of the contents of your communication.

Very truly yours,

For the Secretary of State:

Pierrepont Moffat
Chief, Division of European Affairs

Eu:JF:DG
2/17/38

CR

FEB 17 1938.PM

A true copy of the signed original.

770.00/509

GDG

LEGATION OF THE
UNITED STATES OF AMERICA

No. 129 Belgrade, February 10, 1938.

Subject: Conversation with the Rumanian Minister.

770.00 note

DIVISION OF EUROPEAN AFFAIRS FEB 25 1938 DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS MR. DUNN FEB 28 1938 DEPARTMENT OF STATE

Confidential

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5 RECEIVED DEPARTMENT OF STATE 1938 FEB 24 AM 10 47 DIVISION OF COMMUNICATIONS AND RECORDS

DEPARTMENT OF STATE MAR 1 1938 DIVISION OF NEAR EASTERN AFFAIRS

770.00/510

FILED MAR 3 - 1938

GDG

The Honorable

The Secretary of State,

Washington.

Sir:

DEPARTMENT OF STATE MAR 1 - 1938 ASSISTANT SECRETARY OF STATE

I have the honor to report a conversation which I had on February 8 with the Rumanian Minister to Belgrade, Mr. Victor Cadere, in which he made mention of meeting and discussing various matters with the Yugoslav Prime Minister and the Turkish Minister for Foreign Affairs, Mr. Tevfik Rüstü Aras, upon the occasion of the latter's passing through Belgrade on February 7 on his way to Turkey.

Mr.

Mr. Cadere said that he did not think that anything important had been accomplished by Rüstü Aras at Budapest, although Rüstü Aras seemed content over what had been accomplished at Geneva in preventing Article 16 from being taken out of the League Covenant. He also said that Mr. Stojadinović remarked that the Balkans are now considered as an example of solidarity and of peace, which the rest of Europe might well copy, to which the Turkish Minister for Foreign Affairs replied: "We should therefore proceed to the Balkanisation of Europe." According to Mr. Cadere, Mr. Stojadinović's rejoinder was: "I agree with you, but it should be a '<u>Balkanisation supérieure</u>' because, in the past, Balkanisation has not connoted all that was best."

In speaking of Rumanian-Yugoslav relations, Mr. Cadere stated that the two countries are in entire accord on foreign policy. He added that, in his opinion, Mr. Stojadinović is not leaning unnecessarily towards the Berlin-Rome axis even though appearances are to that effect. The fact that the appearances are in that direction is unfortunate as it unnecessarily irritates both the French and the British. He proffered his belief that it would be well for Yugoslavia to remain on excellent terms with France and Great Britain, for these two countries are absolutely disinterested, both as regards Yugoslavia and Rumania, whereas Germany is not entirely disinterested.

Respectfully yours,

Arthur Bliss Lane

Arthur Bliss Lane

File

File No. 710

CSR/FC

Copies to Paris, Istanbul and Bucharest.

DIVISION OF EUROPEAN AFFAIRS MAR 2 1938 DEPARTMENT OF STATE

TELEGRAM RECEIVED

JR

GPO

FROM SPECIAL GRAY

Ankara

Dated February 28, 1938

Rec'd 5:45 p.m.

DEPARTMENT OF STATE MAR 1 1938 DIVISION OF NEAR EASTERN AFFAIRS

Secretary of State,

Washington.

9, February 28, 6 p.m.

Chief question discussed at three days session of Permanent Council of Balkan Entente which terminated yesterday appears to have been that of Ethiopia. The gist of formula finally adopted which was worked out after discussion with the British and Italian Ambassadors, is that example of Yugoslavias accrediting new minister to Italy "to His Majesty King of Italy Emperor of Ethiopia" is to be followed by the other members of Balkan Entente, with Rumania taking action immediately. It is believed that the Italian quid pro quo will be its adherence in the near future to the Convention of Montreux.

With regard to Spain, it is understood that it is agreed that the Balkan Entente shall follow British policy in presenting question. Communique issued states that "Council has decided to maintain its policy of non-intervention in Spanish affairs," but agents may be delegated and received by members of the Entente with a

view

770.00/5111

FILED MAR 3 1938

FP

view to establishing contact with the government of General Franco and thus assuring the safeguarding of their economic interests."

With respect to the League of Nations, communique states that members of the Balkan Entente "are resolved to remain loyal members of the institution at Geneva." The "work of this institution must be in conformity with principle of absolute respect for their political independence and their perfect equality vis-a-vis all other members of the League of Nations."

500.C401

A draft of a treaty between Turkey and Greece, which it is understood will supplement along military lines the existing pact of entente cordiale between the two countries, was submitted to the Council. I am informed that this treaty is to be signed in Athens in April.

767.6811

KELLEY

NPL

DOCUMENT FILE

NOTE

SEE 740.00/308 FOR Tel. 4- 5pm

FROM Bulgaria (Atherton) DATED March 2,1938

TO NAME 1—1127 GPO

REGARDING: General relations- Balkan States. Extended interview with Prime Minister, concerning international situation in the light of his conversation with the Yugoslav Prime Minister who passed through Bulgaria returning from the conference at Angora. He said that the action of Greece in granting most-favored -nation treatment to Bulgaria aswell as the just completed Balkan pact conversations at Angora and his talk with Yugoslav Premier had considerably strengthened Balkan relations.

fp

770.00/512

G-L

REB

This telegram must be closely paraphrased before being communicated to anyone. (C)

SOFIA

Dated March 2, 1938

Rec'd 4:26 p. m.

Secretary of State,

Washington.

4, March 2, 5 p. m.

STRICTLY CONFIDENTIAL.

In the course of an extended interview this morning with the Prime Minister he raised the international political situation in the light of his conversation with the Yugoslav Prime Minister who passed through Bulgaria yesterday returning from the conference at Angora. He said Greece's recent action in granting most-favored-nation treatment to Bulgaria as well as the just completed Balkan pact conversations at Angora and his talk yesterday with the Yugoslav Premier had considerably (*) Balkan relations. He stated that the Yugoslav Prime Minister following his conversations in Berlin and Rome fully expected a German-Austro anschlus before next autumn which would be fostered through Austrian Nazi propaganda within that country. (Kioseivanoff himself anticipates this anschlus will be completed much

Confidential File

much earlier to enable Hitler to raise the question of German minority in Czechoslovakia when he felt the occasion was right). The Yugoslav Prime Minister said that the Italian Government realized the recent Anglo-Italian demarche was dictated more by political expediency in London than by any change in English convictions and he was convinced that Italy while not desiring the anschlus would not protest its consummation for fear of weakening the Italian-German accord. The Prime Minister gave me to understand that Yugoslav policy would follow Italian Policy in this respect and I inferred Bulgarian policy would not run counter to Yugoslav policy (the attitude will undoubtedly be further determined at the time of the Yugoslav Prime Minister's forthcoming official visit to Sofia). The Prime Minister expressed the conviction that the only Austrian issue which Yugoslavia would actively oppose would be the restoration of the Monarchy or the creation of a Danubian bloc which might be interpreted as indicative thereof.

Speaking very confidentially the Prime Minister deplored

REB

3-#4, From Sofia, March 2, 5 p.m.

deplored recent events in Rumania as predicated on impulsive rather than on constructive statesmanship. He considered the present regime as repulsing a military government and looked for a further crisis in Bucharest at an early date.

ATHERTON

EMB

NPL

(*) Apparent omission

LEGATION OF THE
UNITED STATES OF AMERICA

Athens, February 19, 1938.

No. 2117.

Subject: Mr. Metaxas Heads the Balkan Entente.

ADVISER ON POLITICAL RELATIONS
MR. DUNN
MAR 14 1938
DEPARTMENT OF STATE

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ASSISTANT SECRETARY OF STATE

DIVISION OF
EUROPEAN AFFAIRS
MAR 16 1938
DEPARTMENT OF STATE

DEPARTMENT OF STATE
MAR 9 1938
DIVISION OF
NEAR EASTERN AFFAIRS

770.00
770.00/513
FILED
MAR 16 1938
GMB

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that on February 9 the Prime Minister and Dictator of Greece, General John Metaxas, assumed the Presidency of the Council of the Balkan Entente in accordance with the statutes of that body. The retiring President, Mr. Stoyadinovitch, Prime Minister of Yugoslavia, informed General Metaxas of the transfer of office on February 9 in a telegram congratulating him and expressing his conviction that his Presidency would give the Entente a new fervor. In reply Mr. Metaxas assured his predecessor that he would expend all his efforts to give more vitality and force to the Entente, and to safeguard

peace

peace in the Balkan peninsula and in Europe. Similar telegraphic exchanges occurred between Mr. Metaxas and the Foreign Ministers of Turkey and Rumania. Thus the leadership reverts once more to Greece, where the Entente started in life four years ago under the presidency of Mr. Maximos.

The annual meeting of the Council, which was originally scheduled to be held at Ankara on February 16, has been postponed until February 25 at the request of the Rumanian government, owing to the recent change in the government at Bucharest.

All of the Athens newspapers comment at length and in the same fashion upon the coming meeting. the HESTIA (translated from the French of the MESSAGER D'ATHENES) stated in part:

> "It has become evident that the Balkan Entente is really an instrument of peace and of good understanding which abstains from all exclusive politics and from serving certain European groups. The powers which constitute the Entente have demonstrated that they are sincerely attached to positive and really pacific ideals and that they are not inspired by any prejudice against any other power whatsoever."
>
> "Furthermore, it has been proved in recent times that the Balkan Entente is far from preventing its members from improving and consolidating their friendly relations with other powers. This betterment and consolidation, recently procured in many directions, has constituted one more assurance of the purely pacific character of the Balkan Entente and furthermore it has permitted a considerable extension of its pacific influence."

The ATHENAIKA NEA (translated from the French of the Athenian Press Review) wrote:

> "In its short period of existence the Balkan Entente has played, in the solution of European questions and the strengthening of peace in the southeastern sector of
>
> Europe,

Europe, a rôle worthy of all respect. This fact is recognized on the part of all European peoples and of all the governments, which, with great natural interest, observe this fruitful collaboration between the Balkan peoples. Thanks to this collaboration and to this Entente which gives it its political form, the Balkan peninsula, formerly considered so dangerous, that powder-box of Europe before the war which had not lost its dangerous character until many years after the war, is today the most pacific land on earth. With respect to the cordiality of its relations and to the intimacy of the collaboration between its peoples it can only be compared to the Scandinavian or Baltic countries.

"Greece and the Greek people, who led this transformation of the Balkan situation, look with pride upon the evolution of events and receive with particular joy the return of the Presidency of the Balkan Entente to the Chief of the Greek Government."

Several papers point out that the coming meeting is particularly important owing to the present uncertainty of the European situation, and in this connection I may say that my Turkish, Yugoslavian and Rumanian colleagues have all told me that they know of no internal questions likely to cause serious discussion in this year's session of the Council, and have expressed the opinion that an exchange of views on European developments would take most of its time. On the other hand, Greek interest in the meeting, outside of purely official circles, would seem to be chiefly occupied with the fact that it is taking the Premier and Dictator out of Greece at a time when his power is being, if not threatened, at least challenged. It is pointed out that he himself is aware of the danger since not only has he proceeded to further arrests and banishments as a precautionary

measure

measure (see my despatch No. 2119 of February 19, 1938), but is limiting his stay outside the country to the brief period of three days. To save time, his visit to Turkey will be coordinated with one to the north of Greece, including Salonika on the way out, and Dedeagatch, Commotini and Xanthi on the return journey.

Respectfully yours,

Lincoln MacVeagh

Lincoln MacVeagh.

Copies to: Istanbul, Belgrade,
Bucharest.

File No. 710.

HS/LMacV/jr.

770.00
Mr. Anderson

DOCUMENT FILE

NOTE

770.00/514

SEE 762.63/489 FOR Tel. #24, 4 pm

FROM Yugoslavia (Lane) DATED Mar. 4, 1937
TO NAME

1—1127 GPO

REGARDING:

Attitude of Balkan Entente towards the Austrian situation. Rumanian Minister and Yugoslav officials have expressed opinion that Balkan Entente can through solidarity, accomplish much in making Germany understand that her aggressive attitude is resented in southeastern Europe.

ge

G-L

G-N

EU

REB

A portion of this telegram must be closely paraphrased before being communicated to anyone.(B)

BELGRADE

Dated March 4, 1938

Rec'd 8 p. m.

Secretary of State,

Washington.

24, March 4, 4 p. m.

CONFIDENTIAL.

I have within the last week noted an increasing apprehension in Government circles as a result of Austro-German developments. From the views expressed to me by Government officials as to the danger of Yugoslavia having a common frontier with Germany I gather that the policy of Stoyadinovitch in being swayed by German blandishments is not only unpopular with his colleagues but regarded as a failure in the light of recent developments. "Slovenka" the organ of Minister of the Interior Koroshets, published at Ljubljana, recently contained editorial bitterly condemning German aggression in Austria and pointing out danger therein to Yugoslavia. French Minister informs me that change of attitude of Yugoslav Government towards him

since

REB

2-#24, From Belgrade, Mar. 4, 4p.m.

since Berchtesgaden conversation is very marked.

Although I have not as yet seen the Premier since his return from Ankara I understand that attitude of Balkan Entente towards Austrian situation was to have been discussed there. Rumanian Minister and Yugoslav officials have expressed opinion to me that Balkan Entente can, through solidarity, accomplish much at the present time in making Germany understand that her aggressive attitude is resented in southeastern Europe. I infer from conversation with Rumanian Minister that both Rumania and Yugoslavia are endeavoring to persuade Bulgaria to adopt an attitude in accordance with that of Balkan Entente. Recent meeting of Bulgarian and Yugoslav Premiers may therefore be of significance.

770.50

Copies to Paris, Berlin, Vienna, Bucharest, Sofia, Athens, and Istanbul.

LANE

EMB

NPL

EMBASSY OF THE
UNITED STATES OF AMERICA

ROME, March 4, 1938.

No. 817

Subject: Italian press on recent meeting of the Balkan Entente.

RECEIVED
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1938 MAR 17 PM 2 08
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MAR 18 1938
DEPARTMENT OF STATE

Rating
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DEPARTMENT OF STATE
MAR 25 1938
DIVISION OF NEAR EASTERN AFFAIRS

ADVISER ON POLITICAL RELATIONS
MR. DUNN
MAR 24 1938
DEPARTMENT OF STATE

DEPARTMENT OF STATE
A-M/C
ASSISTANT SECRETARY OF STATE

FILED
MAR 28 1938

770.00/515

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that, while the death of Gabriel d'Annunzio has occupied during the past two days the attention of the Italian press practically to the exclusion of all other news, Roman newspapers, on February 28th and March 1st, devoted a certain amount of comment to the recent meeting in Ankara of the Balkan Entente. This comment naturally centered around the Entente's views on the recognition of the Ethiopian conquest and the decision to establish contact with General Franco's Government in Spain in order to safeguard economic interests in that country.

Thus, the GIORNALE D'ITALIA finds the policy of the four governments concerned sound and realistic, and adds that in insisting on good relations in the Mediterranean....

ranean, the four powers "have probably considered as well the position created by agreements previously concluded with other governments involving the more or less unrestricted cession of their ports for the use of foreign warships." With regard to the passage in the official communiqué referring to the advisability of Italy's adherence to the Montreux Convention, the GIORNALE remarks that this is a complicated problem "in view of the new conditions created in the Mediterranean by that agreement.". In conclusion, the GIORNALE calls attention to the "rapprochement" of the four governments to General Franco's government in Spain which, "although it does not signify open recognition, nevertheless, represents a concrete step in that direction."

The TRIBUNA, writing on the same subject, states that recognition by Turkey and Greece of the Ethiopian Empire, following upon Yugoslav and Rumanian examples, is a further contribution toward Mediterranean appeasement. The TRIBUNA concludes by saying that while Italy is not trying at all costs to obtain recognition of the Ethiopian Empire, nevertheless, when recognition is given, Italians are ready to admit that it serves the cause of European collaboration.

The CORRIERE DELLA SERA of March 1st, commenting on the results achieved at Ankara, states that while some of the conclusions reached are open to discussion, they contain considerable good.

> "Survivals of influences which were at one time extremely powerful, evidence of a mentality in course of evolution, even if not as yet entirely evolved, certain formal and temporary perplexities - these are all details which cannot lessen

> the importance of the explicit admission of the necessity of a re-establishment by the countries of the Balkan Entente, individually and collectively, of good relations with Italy."

The CORRIERE finds further that the Balkan Entente was one of many inventions by the anti-Italian and anti-Fascist governments of the great democracies, which did not hesitate to use "intimidation and calumny to achieve their ends."

As a result, concludes the CORRIERE, the meeting at Ankara has been

> "a resolute step forward towards the emancipation of Balkan policy from the game of certain Western diplomacies. The shifting of the European political center of gravity thus tends to be accentuated, despite the efforts of certain circles, among which one cannot but mention parliamentary circles in France, which are consistently prominent along the line of confusion and insensibility."

As earlier mentioned in this despatch, the death of d'Annunzio has since removed all comment on the recent meeting of the Balkan Entente from the Italian newspapers.

Respectfully yours,

For the Ambassador:

Samuel Reber,
Second Secretary of Embassy.

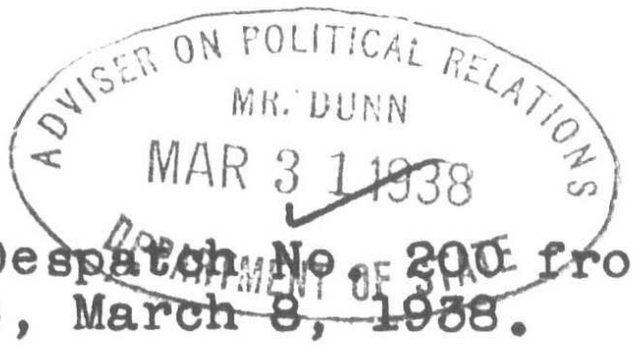
ASR/wrm
801.

DEPARTMENT OF STATE

DIVISION OF EUROPEAN AFFAIRS

March 29, 1938.

PA-D



Summary of Despatch No. 200 from Legation at Bucharest, March 8, 1938.

Subject: Rumanian Comments on the Balkan Entente Conference at Ankara.

The meeting at Ankara created little stir in Rumania, although the press gave considerable publicity to the event. Chief interest was displayed in the two indications of realistic policy, namely, the questions of recognizing the Ethiopian Empire and accrediting agents to Nationalist Spain.

The communiqué at the conclusion of the Conference stressed:

1. Harmony of views of the participating States;
2. Loyalty to the League of Nations;
3. Policy of non-interference in the internal affairs of other States;
4. Good relations with the Mediterranean powers -- England, France and Italy;

5. Rumanian

5. Rumanian decision to follow the Yugoslav example of accrediting a new Minister to the King of Italy and Emperor of Ethiopia, Turkey and Greece to conform their attitude accordingly.
6. Hope that Italy will give adherence to the Montreux Convention;
7. Continued non-intervention in Spain, but so construed as to permit the sending of agents to Nationalist Spain.

The ubiquitous question of Bulgaria's relations with the Balkan Entente has received considerable attention in the Rumanian press. One paper stressed the hope that the silence of the communiqué in regard to Bulgaria is due to the present efforts to negotiate, Yugoslavia being the intermediary, a definite rapprochement of the Balkan Entente with Bulgaria. In this connection, interest was found in the fact that the Bulgarian Premier traveled through Bulgaria with Stoyadinović on his return from Ankara.

Some commentators state cautiously that Bulgarian adherence to the Balkan Entente or the formation of a Balkan Federation with Bulgaria as a member has now entered the sphere of possibilities. There are, however, no concrete developments in this regard, and the Counselor of the

Bulgarian

Bulgarian Legation is critical of the Rumanian attitude towards his country.

Mr. Comnen, the Under Secretary for Foreign Affairs who represented Rumania at Ankara, is likely to be made Foreign Minister. Tatarescu was originally announced as acting Foreign Minister. On March 4 Comnen journeyed to Berlin, ostensibly to present his letters of recall as Minister, but there is a national suspicion that this formality could have been dispensed with, and the implication, of course, is that he considered that conversations with German statesmen would be opportune.

PM

Eu:Coe:AMR.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 200. Bucharest, March 8, 1938.

Subject: Rumanian View of Recent Conference of Balkan Entente at Ankara.

Copy Eu.
DIVISION OF EUROPEAN AFFAIRS
MAR 24 1938
file Cor
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APR 2 1938
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1938 MAR 23 PM 2 20
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ADVISER ON POLITICAL RELATIONS
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APR 1 - 1938
ASSISTANT SECRETARY OF STATE

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APR 4 1938

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report that the proceedings and the results of the meeting of the Council of the Balkan Entente at Ankara February 25th to 27th last created little stir in Rumania, although the press duly published reports of the various phases of the Conference, noted the itineraries and pronouncements of the three visiting delegates, gave full accounts of the several receptions, reproduced the final communiqué at the close of the conversations, and carried extensive comment thereon which found chief interest in the two indications of "realistic policy", namely, the decisions taken on

the

the questions of recognizing the Ethiopian Empire and of accrediting "agents" to Nationalist Spain.

A translation of the communiqué as given in the
1/ Bucharest press is enclosed herewith and its main points are, merely as a matter of record since you are undoubtedly fully apprised thereof, noted to be: Harmony of views of the participating States; loyalty to the League of Nations; policy of non-interference in internal affairs of other States; good relations with the Mediterranean powers, i.e., England, France and Italy; decision of Rumania to follow the Yugoslav example by accrediting a new Minister to the King of Italy and Emperor of Ethiopia, Turkey and Greece to conform their attitude accordingly; hope that Italy will give adherence to the Montreux Convention; and continued non-intervention in Spain, but so construed as to enable the Entente States to send agents to Nationalist Spain to protect their commercial interests.

Rumanian press comment has, as already stated, lent its chief attention to the points regarding Italy and Spain. The latter is readily passed over as being in conformity with the British example, while the former is endorsed as a suitable and climactic step along the path consistently followed by Rumanian foreign policy ever since the ousting of Titulescu in August of 1936

(despatch

(despatch No. 40 of November 20, 1937, and others). Although Italian pressure failed to achieve the desired end under the Goga regime, it is now fully expected that the post at Rome, vacant since the resignation of Mr. Lugoşianu last November (despatch No. 23 of November 15, 1938), will be filled in the near future, and I have today been authentically informed that the transfer from Warsaw to Rome of Mr. Alexander Duiliu Zamfirescu is one of several important changes in the Rumanian diplomatic service which will be announced within a day or so. Several commentators point out the happy coincidence of this general move with the present inauguration of conversations between London and Rome. (The British Minister, Sir Reginald Hoare, remarked to Mr. Hibbard the other day that he was certain that the British and French Ministers at Ankara could not have approved that part of the communiqué dealing with Italy; on the other hand, I believe both Hoare and Thierry, the French Minister here, will now be apathetic to this development in view of the recent turn of Anglo-Italian relations.)

Another point of interest, mentioned in several papers and dwelt on at length by Prezentul (independent, democratic), is the trend of relations between the Balkan Entente and Bulgaria. Prezentul deplores the silence of the communiqué, pointing out that one of the particular virtues of the Balkan Entente has been its ability to establish collaboration between countries which were in opposing camps during the War and asking whether the obstacle lies at Sofia or in the Entente. It concludes by expressing the hope that the reticence at Ankara is

due

due to present efforts to negotiate, with Yugoslavia as intermediary, a definite rapprochement of the Balkan Entente with Bulgaria. This idea undoubtedly springs from the fact that the local press carried a report (by the Italian Stefani Agency) to the effect that Bulgaria had been asked to adhere to a part of the decisions taken at Ankara, as well as that Bulgarian Premier Kiosseivanoff met Dr. Stoyadinovitch on his return at Plovdiv, traveled with him to Sofia, where he entertained him at lunch, and then continued with him toward Belgrade as far as Dragoman, or as one paper loosely put it, traveled with him "from frontier to frontier".

The question of Bulgarian adherence to the Balkan Entente or the formation of a Balkan Federation with Bulgaria as a member has been frequently mentioned and some commentators state cautiously that this eventuality has now "entered the sphere of possibilities". There are no indications here, however, of any concrete developments in this regard and Rumanian circles, official and unofficial, betray no great longing or desire to go out of their way to improve Rumano-Bulgarian or Entente-Bulgarian relations. (The Counselor of the Bulgarian Legation in discussing this matter with one of my Secretaries a few days ago remarked, in effect: "What do they expect? We have already signed one Treaty of Neuilly and we won't sign another. They have made us promises which they have not kept. We might associate ourselves with them under certain conditions and with reservations, but not again on the Neuilly basis. Look what the Rumanians do to encourage us: Comnen, the

Rumanian

Rumanian delegate to Ankara, returns to Plovdiv, then instead of continuing via Sofia, as did Stoyadinovitch, he deliberately avoids our capital and goes direct to Ruschuk and on to Bucharest!" He then went on to say that Bulgarian-Yugoslav relations are extremely satisfactory and that, although there were misgivings a few months ago, the treaty with Yugoslavia is now working out most satisfactorily.)

A translation of representative excerpts from the Rumanian press regarding the Ankara Conference forms an 2/ enclosure hereto.

On March 4th, following his return from Ankara, Rumania's new Under Secretary for Foreign Affairs (Comnen; despatch No. 176 of February 19, 1938), gave a statement to the press in which he compared the present day spirit of tranquillity and collaboration in the Balkans with the pre-War disposition to trouble-making, noted the Entente's harmonization of its idealism with a new realism made necessary by such modern questions as those created by the Spanish civil war and the Ethiopian conquest, and then stressed what he considered the three outstanding points emerging from the Ankara meeting: (1) The relationship of the States of the Balkan Entente with Italy; (2) the policy of non-intervention in Spain, permitting, however, the sending of agents to the Franco Government; and (3) the affirmation of the loyalty of the Balkan Entente to the League of Nations. A full translation of Mr. Comnen's remarks

is

3/ is enclosed herewith.

I understand on good authority that Mr. Comnen is very likely shortly to be made Minister of Foreign Affairs. As already reported, it had been originally announced that Acting Foreign Minister Tatarescu would represent Rumania at Ankara, but without any explanation being made Comnen went instead, carrying out Tatarescu's intention of going first to Belgrade, where he met Stoyadinovitch, and then proceeding with him to the Turkish capital. On March 4th he left for Berlin, ostensibly to present his letters of recall as Minister there, but there is the natural suspicion that he could have dispensed with this formality had he considered that conversations with German statesmen at the present time would not be opportune or useful for the furtherance of his future direction of Rumania's foreign affairs.

Respectfully yours,

Franklin Mott Gunther.

Franklin Mott Gunther.

Enclosures:

1- Translation of communiqué.
2- " of press comment.
3- " of statement to press by Under Secretary for Foreign Affairs.

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CKH:EMS.

Copies to Belgrade, Prague, Sofia.

In Translation

Enclosure No. 1 to Despatch No. 200 of March 8, 1938 from the American Legation, Bucharest.

COMMUNIQUE ISSUED AT CLOSE OF BALKAN ENTENTE CONFERENCE AT ANKARA, FEBRUARY 25-27, 1938

The Permanent Council of the Balkan Entente met at Ankara under the Presidency of His Excellency Mr. Metaxas, President of the Greek Council of Ministers, on February 25, 26 and 27, 1938, their Excellencies President Stoiadinovici, Mr. Comnen and Dr. Rustu Aras participating.

1. The representatives of the member States of the Balkan Entente proceeded to a mutual exchange of views on every aspect of the general policy and deliberated on questions which interest them particularly. It was unanimously noted that the Balkan Entente has played a most fruitful role in the maintenance of peace and tranquillity in this area of Europe and that it constitutes one of the most solid factors for the realization of the ideal of peace which it has not ceased to pursue.

A perfect harmony of views on all questions of general policy, of common interest, and of mutual relations was manifested, as always, in the course of the deliberations of the Council, and the solidarity which unites the members of the Entente has proved more powerful and more solid than ever.

2. The States of the Balkan Entente, attached to the principles which inspired the Covenant of the League of Nations at its start, are determined to remain loyal members of the Institution at Geneva. They point out that the task of this Institution must conform to the principle of absolute respect of their political independence and of their perfect equality with all other members of the League of Nations.

Firmly decided not to interfere in questions concerning the internal policy of other states, the Governments of the Balkan Entente are resolved not to tolerate any meddling, of any nature whatever, in their internal affairs.

3. In the examination of questions regarding the Mediterranean policy of the Balkan Entente, the Council was of the opinion that the policy with which the member States of the Balkan Entente have been in accord from the very start is, as far as the Mediterranean Basin is concerned, a policy of good relations and of cooperation in behalf of peace with each of the principle riverine powers, namely: England, France, Italy.

The Balkan Entente has pursued this policy in perfect harmony among its members and has made fruitful efforts to tighten the relations of the four allied powers with the above-named Mediterranean powers.

The

The Ethiopian question, having gone through the known phases, is non-existent for the Balkan Entente.

Thus pursuing the realization of their common Mediterranean policy, the allied States have made serious efforts toward a rapprochement with each of the above-mentioned powers and have succeeded in consolidating their friendly relations with them. Yugoslavia has placed herself in this category of ideas, concluding with Italy a pact of friendship and, in this manner, harmonizing her relations with those which the other two riverine States of the Mediterranean, members of the Entente, had already established by similar pacts with this power.

On the other hand, the Permanent Council of the Balkan Entente has noted that in these present circumstances Yugoslavia has appointed a new Minister Plenipotentiary to Rome, accredited to His Majesty the King of Italy and Emperor of Ethiopia, in conformity with the new Italian Constitution.

Rumania, who finds herself at present in a similar situation, is also decided to accredit a new Minister to Rome without delay.

In the face of these facts, which again prove the perfect agreement of views which exists among the members of the Balkan Entente in regard to the Mediterranean policy, above mentioned, the Council considers, with a view to facilitating international cooperation in the Mediterranean Basin, that Greece and Turkey will have to take the necessary steps to conform their attitude in the Ethiopian question to the friendly relations which they entertain with Italy.

The Council is equally convinced that an important step will be taken in the field of international cooperation, above mentioned, by an eventual adhesion of Italy to the Montreux Convention.

4. The Permanent Council of the Balkan Entente has ratified the decisions of the last economic council at Athens.

5. The Council has decided to maintain its policy of non-intervention in Spanish affairs.

Agents may be sent and received by the member States of the Entente with a view to establishing contact with the Government of General Franco and thus assuring the safeguard of their economic interests.

6. An additional draft of a Turko-Greek treaty has been presented by their Excellencies President Metaxas and Dr. Rustu Aras, looking to the extension of collaboration, which is derived from the Turko-Greek pact of cordial entente, within the framework of existing engagements.

7. The Council has decided that its next two sessions shall take place in the month of September 1938, at Geneva, and the end of the month of February 1939, at Bucharest.

Enclosure No. 2 to Despatch No. 200
of March 8, 1938 from the American
Legation, Bucharest.

In Translation

EXTRACTS FROM THE RUMANIAN PRESS
REGARDING BALKAN ENTENTE CONFERENCE AT ANKARA
FEBRUARY 25-27, 1938

TIMPUL (Independent, with National Peasant Leaning), February 27, 1938.

The Balkan Entente was at its origin, like the Little Entente had been for some time before it, an instrument in the service of a general principle: "collective security".

The principle has weakened; the Ententes have remained.....

The Little Entente binds its internal and external interests along a line, which has, to speak in terms of the times, an axis: the Danube. The Balkan Entente has, for us at least, a center of interest: the Straits, which link the Black Sea to the Mediterranean and Europe with Asia.....

As far as we are concerned, we have realized on many occasions, but never better than during the World War, how closely our fate is bound up with the fate of the Straits. This appreciation brings us, naturally, closer to Turkey. We have a common interest to defend: the freedom of the Straits.....

The Balkan Entente is bound, naturally, to the Little Entente and to our alliance with Poland.

Gr. Gafencu.

LE MOMENT (Independent, in French), March 2.

The final communiqué given to the press is long, which means that the Council has been inclined to unveil all rather than to hide everything that was discussed. Proof that the Balkan Entente has no aims other than those it avows: Peace, loyal collaboration of the peoples, security in the Balkans.

DREPTATEA (Official Organ of National Peasant Party), Mar. 2.

The Conference of the Balkan Entente has concluded its labors. It was a new opportunity to manifest the perfect harmony which exists among the States which form this young and yet fruitful alliance of Rumania, Yugoslavia, Greece and Turkey.

That which must be underlined, above all, now with the official communiqué before us, is the vote of confidence which the Balkan Entente gave to the League of

Nations

Nations. At a time when the enemies of the Geneva Institution are directing most bitter attacks against it, the small states, appreciating their own interests, have rallied round the Covenant of the League of Nations.

Another question of overwhelming importance at present which was discussed at Ankara is the Mediterranean policy. As the essential objective in the Anglo-Italian conversations is the problem of the Mediterranean, so does the Balkan Entente consider necessary "a policy of good relations and cooperation in behalf of peace with each of the riverine powers: England, France, Italy."

PREZENTUL (National Peasant Economic Organ), March 2.

.....A question which is just as important for the future of the Balkan Entente as that of relations with Italy, and about which the communiqué at Ankara maintained complete silence, is that of a rapprochement of the States of the Entente with their common neighbor, Bulgaria.

At a moment when the entire world knows that the President of the Yugoslav Council of Ministers has had and will have, on the way back to his country, conversations and exchange views with Bulgarian statesmen for the consolidation and the extension of the pact of friendship between the two countries, we must confess that it is difficult for us to understand the silence which has been maintained on the question of relations with that Bulgaria ridged with the mountains which gave their name to the entente of the four powers. The four Ministers avoided a repetition of their desire to have Bulgaria come out of her reserve, whose collaboration they welcomed with so much warmth at the inception of the Entente.

Is not the superiority of this pact over other European ententes due to the fact that it establishes a collaboration among countries which were enemies during the World War? Is the obstacle to a consolidation of this character, by a rapprochement with Bulgaria, at Sofia or in the Entente?

The reticence of the Council at Ankara might be explained in part by the fact that negotiations looking to a rapprochement with Bulgaria, through the intermediary of Yugoslavia, are in progress.

In this case, we have only to hope and to await the confirmation and natural completion of the Balkan Entente, deploring the useless discretion employed in this question which is so intimately bound up with the interests of Rumania.

CUVANTUL

CUVANTUL (Independent, with Rightist Leaning), March 3.

The essence, the thing which stands out from the decisions set forth in the Ankara communiqué is the observance that the reunion in the Turkish capital has been this time attentive to realities. It opens up in this way most favorable prospectives as to its future action.

INDEPENDANCE ROUMAINE (Official French Organ of National Liberal Party), March 3.

The States of the Balkan Entente, for which the Ethiopian problem no longer exists, will all be represented shortly at Rome and accredited in due form to the Sovereign of Italy. On the other hand it is announced from Burgos that, likewise following the decisions taken at Ankara, the Nationalist Government will be represented in the capitals of the States of the Balkan Entente. At Bucharest, Mr. de Prat y Soutzo will resume his official diplomatic mission.

UNIVERSUL (Independent, Nationalistic, anti-Semitic), Mar. 3.

The all-comprising communiqué of the Balkan Entente exceeds the normal limit of texts of this kind. The recent international events have brought out in relief for the Balkan Union two essential problems: The League of Nations and the Mediterranean policy. It was, therefore, natural that these questions of especial interest for the Balkan countries should figure in the agenda of the reunion at Ankara.....

In adopting the decisions formulated in the communiqué of February 27, the Conference at Ankara has accomplished more than a task of local peace. It has made a precious contribution to the more vast question of peace in the Mediterranean and has written, in a precise manner, the preface to the negotiations which are to follow soon between Italy and Great Britain.

VIITORUL (Official Organ of National Liberal Party), Mar. 3.

The Balkan Entente, working in perfect harmony, has given proof of its cohesion and has thus demonstrated its importance in the determination of the course of political events in the sense that it is moving toward its objective.

There was no hesitation, no divergency, everything passed off in that order which gives evidence of a conscience of common interests, including particularly the other interests connected remotely or closely with the purpose of the Balkan Entente.

The

The communiqué of the Permanent Council of the Balkan Entente is in this regard edifying. It is especially a source of confidence and pacifying to the spirits who see in the decisions taken a serious peace guarantee.

Enclosure No. 3 to Despatch No. 200
of March 8, 1938 from the American
Legation, Bucharest.

TRANSLATED
from SEMNALUL,
March 6, 1938.

STATEMENT TO PRESS
BY RUMANIAN UNDER SECRETARY FOR FOREIGN AFFAIRS
FOLLOWING ANKARA CONFERENCE OF BALKAN ENTENTE

As I did not deem it expedient to make declarations to the press during my trip to Ankara, I do not consider it, on my return, superfluous to furnish a few explanations on the last meeting of the Permanent Council of the Balkan Entente.

During the 19th Century there was not a region in Europe where peace was more threatened than in the Balkans. Those times have passed today into remote history, for in our days the policy of the Balkan States might usefully serve as an example, by the cordiality of the relations among these States, by the common thought which inspires their leaders to assure the intellectual and economic progress of the Balkan populations, by the consolidation of peace and good understanding.

The warm reception which we were given at Ankara, the atmosphere of cordiality which did not cease to prevail throughout the four days of our stay in the beautiful city created by the great ruler of modern Turkey, have proved once again how close are the ties among the four States of the Balkan Entente.

We were inspired in our labors also by this atmosphere of entente and union and, without any difficulty, unanimous decisions were reached which synthetize the common interests of the four States, having in mind, at the same time, the special interests of each State arising from the special political or geographic situation.

I do not believe it necessary to add much comment to the final communiqué on our labors. This communiqué mirrors the decisions which we did not hesitate to make public, for the policy of the Balkan Entente is a real policy which has nothing to hide.

I think that three points should be drawn to the special attention of our public:

1. The relation of the States of the Balkan Entente with Italy.

The Council was inspired in its decisions by the geopolitic realities which command the relations between the component States and Italy.

2. The Spanish question.

The Council of the Balkan Entente has decided to maintain intact its policy of non-interference in Spain

and

and its participation in the Committee at London. The States of the Balkan Entente are obliged, on the other hand, to consider certain actual situations in connection with their commercial interests.

Under such conditions, the Council has decided that each member of the Balkan Entente should be able, at a moment considered opportune and inspired by the British precedent, to send agents to have contact with General Franco with a view to safeguarding its economic interests.

3. The question of the League of Nations.

The Balkan Entente has sought to renew its declaration of loyalty to the League of Nations. I lay stress on the fact that the States of the Balkan Entente wished to point out that they cannot conceive of action on the part of the League of Nations except insofar as it respects their political independence and equality with the other States. They likewise declared that, determined not to interfere in the internal affairs of the other States, they would not tolerate any meddling in their internal affairs.

These declarations harmonize with the previous resolutions of the Little Entente and especially with the declaration made in the name of the Little Entente by the representative of Rumania at the Council of the League of Nations in session on January 27, 1938.

TREATY DIVISION
APR 12 1938
DEPARTMENT OF STATE

LEGATION OF THE
UNITED STATES OF AMERICA

Athens, March 5, 1938.

No. 2142.

Subject: Meeting of Council of Balkan Entente at Ankara and Proposed Greco-Turkish Treaty.

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FILED
APR 18 1938

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that the recent meeting of the Council of the Balkan Entente at Ankara made several decisions of much interest to Greece. In the official communiqué of February 28, the text of which the Department has doubtless received from the Embassy at Istanbul, the four powers extol the solidarity of the Entente, express their loyalty to the League of Nations and their "firm resolve" not to mix in the internal affairs of other states nor to tolerate any interference in their own.

After

After affirming their continued cooperation with the principal Mediterranean powers, naming Great Britain, France and Italy, they add that "the Ethiopian question has ceased to exist for the Balkan Entente." They then approve:

1) Recognition of the Italian conquest of Ethiopia.

2) The exchange of agents with the government of General Franco.

3) An additional treaty between Turkey and Greece.

In a conversation following the meeting of the Council of the Entente the Permanent Under Secretary of State for Foreign Affairs informed me that Greece does not intend immediately to accredit a minister to the "King of Italy and Emperor of Ethiopia", but prefers to await the outcome of the Anglo-Italian conversations and to follow England's lead in this respect. Mr. Mavroudis also commented that Greece was following England's lead in exchanging agents with the Franco government. Greece has already appointed a former Minister of Marine, Admiral Botassis, to be its agent at Salamanca, with the same powers as those of the British agent there, and General Franco is represented in Athens by Mr. Romeiro Radigalos.

Of greater interest to Greece is the proposed Greco-Turkish treaty which is to be signed in Athens next month. I enclose a translation from the imperfect French of the Messager d'Athènes of March 2. The new treaty is complementary to the treaty of

Ankara of October 30, 1930, and the Greco-Turkish pact of September 14, 1933. It will be recalled that in the treaty of 1930, each country agreed to remain neutral in case of aggression against the other by third powers. In the treaty of 1933 they "mutually guarantee the inviolability of their common frontiers" and agree to collaborate in all international questions.

In the treaty now proposed it is agreed that, if either Greece or Turkey becomes the object of aggression by a third power, the other will protect its neutrality if necessary by force of arms; that they will consult together in case of hostile action by other powers; that each will forbid the residence of persons planning any form of aggression against the other's government; and that the previous treaties will remain in effect concurrently with the present one for successive periods of ten years, unless denounced one year prior to the expiration of any period.

Article I of the new treaty, reading as follows, is of the most interest:

> "In the event that one of the High Contracting Parties becomes the object of an unprovoked aggression on the part of one or several powers, the other High Contracting Party agrees to safeguard its neutrality by preventing, if necessary by arms, the said power or powers from utilizing its territory for the passage of troops and munitions of war, for the supply of provisions, animals and other things, for the passage of troops in retreat or for making military reconnaissances upon the said territory."

This Article appears to benefit Turkey far more than Greece, since any aggressor from the West might

very

very well desire to utilize Greek territory, while Greece, on the other hand, appears to have no potential enemy in the East, except possibly the Soviet Union, which would not be likely to attack her unless the Union were already at war with Turkey.

But if the treaty favors Turkey this fact may be considered as Turkey's due, since up to the present Greece, as the weaker member of the alliance, seems to have been the chief gainer by it. Turkey has a population roughly 2 1/2 times that of Greece; an army three times as big; far greater resources; and apparently a people far more united in support of their government than has Greece.

Needless to add, the proposed treaty received the enthusiastic support of the Greek press. The Athens Ethniki opines that "a new factor of peace has just been created in this region, a factor destined to play an important rôle in future international evolutions and alignments." It adds that a "third power must know in advance that it will have to face a united Greco-Turkish front."

Bulgaria, which protested energetically but fruitlessly against the signature of the Greco-Turkish pact of 1933, will undoubtedly not welcome the new treaty which is announced with the blessing of the Balkan Entente powers, including its new ally Yugoslavia. However, no Bulgarian protest has yet been heard here, and the Yugoslav Premier, Mr. Stoyadinovich, stopping at Sofia on his return from Ankara, doubtless took occasion to soothe Bulgarian

apprehension.

apprehension. General Metaxas, as President of the Council, received the Bulgarian Minister at Ankara, and informed him of the contents of the official communiqué prior to its publication.

Respectfully yours,

Lincoln MacVeagh

Lincoln MacVeagh.

Enclosure:

1. English translation of new Greco-Turkish treaty as published in the Messager d'Athènes of March 2, 1938.

Copy to American Embassy, Istanbul.

File No. 710.

HS/jr

Enclosure No. 1 to despatch No. 2142 of March 5, 1938, from the Legation at Athens, on the subject of the Meeting of the Council of the Balkan Entente at Ankara and Proposed Greco-Turkish Treaty.

TRANSLATION

Source: Messager d'Athènes of March 2, 1938.

A Treaty Complementary to the Greco-Turkish Treaty of Friendship, Neutrality, Conciliation and Arbitration of October 30, 1930, and to the Greco-Turkish Pact of Cordial Understanding of September 14, 1933.

Greece and Turkey, animated by the desire of developing still further the ties which so happily unite them, and desirous of concluding an additional treaty, without affecting in any way the bi-lateral and multi-lateral treaties, accords and reciprocal understandings to which they are parties, have agreed to the following articles:

Article I

In the event that one of the High Contracting Parties becomes the object of an unprovoked agression on the part of one or several powers, the other High Contracting Party agrees to safeguard its neutrality by preventing, if necessary by arms, the said power or powers from utilizing its territory for the passage of troops and munitions of war, for the supply of provisions, animals and other things, for the passage of troops in retreat or for making military reconnaissances upon the said territory.

Article II

In case one of the High Contracting Parties becomes the object of a hostile action on the part of one or several third powers, the other High Contracting Party will use all its efforts to remedy the situation. If, in spite of these efforts, war becomes a fait accompli, the two Contracting Parties agree to examine the situation carefully and in a spirit of good will, with the object of arriving at a solution conforming to their highest interests.

Article III

The two High Contracting Parties agree not to permit upon their territory the formation or the sojourn of organizations or groups having for their purpose the disturbance of the peace and security of the other country or the changing of its government, as well as the sojourn of persons or groups purposing agression by propaganda or any other means against the other country.

Article IV

Article IV

The High Contracting Parties agree that the reciprocal bi-lateral and multi-lateral agreements to which they are parties and which are in force will continue in full effect independently of the provisions of the present treaty.

Article V

The present treaty, which will enter into force on the date of the exchange of ratifications, is concluded for a period of ten years. It will remain in force for a like period of neither of the High Contracting Parties will have denounced it a year before its expiration, and similarly for successive periods.

The High Contracting Parties agree that the Turco-Hellenic Treaty of Friendship, Conciliation and Arbitration of October 30, 1930, and the Pact of Cordial Understanding of September 14, 1933, will have the same duration of validity as the present treaty, notwithstanding the provisions relative thereto which they contain.

HS/jr

EMBASSY OF THE
UNITED STATES OF AMERICA

Ankara, March 2, 1938.

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1938 MAR 23 PM 2 54
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DIVISION OF EUROPEAN AFFAIRS
APR 8 1938
DEPARTMENT OF STATE

No. 558

Subject: Meeting at Ankara of the Permanent Council of the Balkan Entente.

DEPARTMENT OF STATE
MAR 24 1938
DIVISION OF NEAR EASTERN AFFAIRS

ADVISER ON POLITICAL RELATIONS
MAR 29 1938
DEPARTMENT OF STATE

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CONFIDENTIAL

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To the Field
IL L. S. A

DEPARTMENT OF STATE
ASSISTANT SECRETARY
MAR 30 1938
A-M/C

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

Supplementing my telegram No. 9 of February 28, 6 p.m., I have the honor to report that the Permanent Council of the Balkan Entente began its session in Ankara on Friday, February 25, 1938. The meeting had been originally scheduled for February 16 but had to be postponed on account of the Rumanian Cabinet crisis. Turkey was represented by the Prime Minister, M. Celal Bayar, and the Foreign Minister, Dr. Tevfik Rüştü Aras, who was assisted by the Secretary-General of the Foreign Office, M. Numan Menemencioglu. The Greek delegate was the

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APR 14 1938

the Prime Minister, General Metaxas, who is at present President of the Permanent Council of the Balkan Entente. Yugoslavia was represented by its Prime Minister, M. Stoyadinovitch, and Rumania, by M. Comnène, UnderSecretary in the Ministry for Foreign Affairs. It had been originally expected that the Minister for Foreign Affairs, M. Tatarescо, would represent Rumania, but he telephoned on the Sunday preceding the Conference that he could not come because of the constitutional reorganization in his country and proposed to send M. Comnène. When the Turkish Prime Minister received this message, he suggested that, since important matters were to be discussed, it would be better to postpone the Conference until a member of the Rumanian Cabinet could attend, but M. Stoyadinovitch telephoned that, if it were postponed again, he would not be able to come to Ankara until the month of April. It was, therefore, finally decided to hold the Conference on February 25th as scheduled and to accept M. Comnène as the Rumanian delegate.

During the course of the first day, President Kâmal Atatürk received successively General Metaxas, M. Stoyadinovitch and M. Comnène, and had long talks with each. In the evening a dinner was given in honor of the delegates at the official residence of the Turkish Minister for Foreign Affairs. The dinner was attended by all the members of the Turkish Council of Ministers, members of the Legations of Greece, Yugoslavia and Rumania, and certain Turkish officials. The dinner

was

was followed by a reception for the entire diplomatic corps. During the course of the dinner speeches were made by Dr. Tevfik Rüştü Aras, Turkish Minister for Foreign Affairs, and General Metaxas, President of the Permanent Council of the Balkan Entente. Copies of their addresses
1/ 2/ are enclosed. On Saturday and Sunday, February 26 and 27, the delegates were busy with their deliberations, and it was noted that both the British and the Italian Ambassadors to Turkey were called in at different times. On Sunday evening, February 27th, the Greek, Yugoslav and Rumanian Legations jointly gave a reception at the Ankara Palace Hotel in honor of the Turkish hosts, to which the entire diplomatic corps was invited. During the reception an
3/ 4/ official communiqué was issued, a copy and a translation of which are enclosed, setting forth the decisions arrived at during the Conference.

The present Conference appears to have served three main purposes. First of all it furnished an occasion to demonstrate to the world that recent political events in certain countries of the Balkan Entente had not adversely affected its vitality and that it was still the intention of its members to strengthen and develop it as an instrument for collaboration in defending and advancing the common interests of the Balkan countries and in increasing the influence of those countries in the international sphere. In this connection, the effort which is being made to bring about Bulgaria's participation in the deliberations of the Balkan Entente deserves attention. The Turkish

Minister

Minister for Foreign Affairs is very much interested in the success of this endeavor. In a conversation with me relating to the recent Conference he stated that he was greatly pleased with the progress which had been made in bringing about a coordination of Bulgaria's views with those of the members of the Balkan Entente. The Greek Prime Minister, General Metaxas, stated to the press that "We all desire the participation of Bulgaria in the Balkan Entente and the door is always open to her".* The local press has published obviously inspired articles stating that the members of the Balkan Entente have always reserved a seat at their table of deliberations for Bulgaria and that they hope that it will not remain vacant indefinitely; and it has laid emphasis on the fact that the President of the Balkan Council, General Metaxas, was in contact with the Bulgarian Minister at Ankara during the Conference and informed him of the contents of the official communiqué before its publication. The Bulgarian Minister has informed me that this is substantially correct and that, while he was not invited to participate in the deliberations of the Conference, he was advised of the decisions reached before they were made public. In this regard it is of interest that on his return trip to Belgrade the Yugoslav Prime Minister was met at the Bulgarian frontier by the Bulgarian Prime Minister, who accompanied him across Bulgaria to the Yugoslav frontier.

Secondly, the Conference afforded the statesmen of the four countries an opportunity to exchange views on

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* LE JOURNAL D'ORIENT, March 2, 1938.

on questions of general international interest. The Yugoslav Minister to Turkey states that practically every international problem of importance was the subject of conversation. No decisions were taken, of course, with regard to questions, such as Chinese-Japanese relations, which were not of direct concern to the members of the Balkan Entente.

Thirdly, and most important, the Conference furnished the occasion to deliberate upon, and determine, the measures to be taken to settle questions arising among the members of the Balkan Entente, and the policies to be followed by the four countries in respect to international problems of immediate concern to them. The international problems with respect to which decisions were taken at the present Conference were the recognition of the Italian conquest of Ethiopia, the civil war in Spain, and the League of Nations. In this connection it is to be noted that the consultation side of the Balkan Entente is being particularly developed at the present time. It will be recalled that there was very close cooperation among the Balkan Entente States in connection with the Nyon Conference. The Embassy understands that there has been considerable consultation among the members of the Balkan Entente with regard to coordination of policy in respect to developments in Geneva and the proceedings of the non-intervention committee in London.

As stated in my telegram, the most important international question discussed at the present Conference appears

to

to have been that of the recognition of the Italian conquest of Ethiopia. It is understood that the Yugoslav Prime Minister, M. Stoyadinovitch, played the leading rôle in the deliberations on this question, and that he was chiefly responsible for the text of the statement on this matter contained in the official communiqué . It appears that the statement drafted by the Turkish Foreign Minister, explaining the attitude of the Balkan Entente in regard to the question of the recognition of the Italian conquest of Ethiopia was rejected as giving uncalled for offense to Italy. The Embassy has been informed that both the Italian and the British Ambassadors were called in by the Council during the discussions on this question. The Italian Ambassador, M. Carlo Galli, appears to have been in constant touch with the deliberations of the Council through his personal friendship with the Yugoslav Prime Minister,* and it is believed that in this way, if not also in other ways, Italian influence made itself strongly felt during the proceedings. The formula which was finally adopted bases the recognition of the Italian conquest of Ethiopia upon the Mediterranean policy of the Balkan Entente,- a policy of good relations and cooperation for peace with the principal Mediterranean powers - England, France and Italy. The official communiqué states that the Balkan Entente has followed this policy in perfect harmony and has been successful in its efforts to consolidate the ties of the four allied countries with the Mediterranean Powers. As a result "the

*M. Galli was for many years in Yugoslavia and he has stated that his best friend during his stay in that country was M. Stoyadinovitch who was then in the opposition.

"the question of Ethiopia has become non-existent for the Balkan Entente." The communiqué points out that, in accordance with this policy, Yugoslavia has concluded a pact of friendship with Italy and recently "appointed a new Minister Plenipotentiary to Rome accredited to His Majesty the King of Italy, Emperor of Ethiopia, in conformity with the new Italian constitution", and that Rumania, which is now in a similar position, has decided to take similar action. In view of these facts, the Council considers that, in order to facilitate cooperation in the Mediterranean, Greece and Turkey should take the steps necessary to adjust their attitude in the Ethiopian question to the friendly relations which they maintain with Italy. The Council is also convinced that an important advance would be made in the domain of the envisaged international cooperation by the adherence of Italy to the Montreux Convention. In this connection it may be said that there is every reason to believe that Italy gave the Conference to understand that, in return for the recognition of the conquest of Ethiopia, it will in near future adhere to the Montreux Convention, probably upon the occasion of a visit of the Italian Foreign Minister to Ankara. It is of interest to note that the Turkish Foreign Minister, Dr. Aras, spent considerable time endeavoring to persuade the Soviet Chargé that the decision of the Balkan Entente in this question meant only de facto recognition of the Italian conquest of Ethiopia and not de jure recognition. It is generally felt that the decision of the Balkan Entente in respect to the Ethiopian

783.003

question

// question represents a triumph for the views of M. Stoyadinovitch.

The Embassy has been informed that the Conference devoted considerable time to discussing the Spanish question. A representative of General Franco, the Marquis de Prat de Nantouillet, former Spanish Minister to Rumania, is reported to have found the atmosphere somewhat favorable to granting greater recognition to General Franco's régime than was finally agreed upon. M. Stoyadinovitch apparently was inclined to go further and a certain incident in which the Turkish representative in Madrid is said to have been maltreated by agents of the Madrid Government provided a reason for Turkey's considering such a proposition. It was finally agreed, however, to follow British policy in this question. Consequently the Council decided, in the words of M. Stoyadinovitch, to "recognize, de facto, the government of General Franco." The communiqué states that the policy of non-intervention in Spanish affairs will be maintained, but that agents may be delegated and received by members of the Balkan Entente for the purpose of establishing contact with the government of General Franco and thus safeguarding their economic interests. It is understood that the Balkan States will act separately in establishing relations with the Government of General Franco; the negotiations with General Franco will be governed, of course, by the principles agreed upon at the Conference.

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The representative of General Franco, referred to above, arrived in Ankara several days before the Conference for the purpose of "following the work of the Council of the Balkan Entente and informing my Government with /5 regard to it." There is enclosed as of possible

interest

interest to the Department a translation of a statement which he made to the Press. The Marquis de Prat was received by General Metaxas, President of the Balkan Council, and has been sponsored, as it were, by the Italian Ambassador, with whom he appears to be residing.

With respect to the League of Nations, the official communiqué states that the countries of the Balkan Entente "are resolved to remain loyal members of the Geneva institution". It is emphasized, however, that the "work of the institution ought to be in conformity with the principle of absolute respect of their political independence and of their perfect equality vis-à-vis all the other members of the League of Nations" and that the Governments of the Balkan Entente, resolved not to interfere in the internal politics of other States, will not tolerate any interference of any nature in their internal affairs. The Embassy understands that there was considerable discussion at the Conference with respect to the League of Nations, and that it was the general opinion that, while the members of the Balkan Entente had their own views with regard to the rôle of the League of Nations, it was a matter in regard to which the big powers - not the States of the Balkan Entente - should take the lead.

/6 /7 There is enclosed the French text, together with a translation, of the draft of a new Greek-Turkish treaty which was presented to the Council by General Metaxas and Dr. Aras. The treaty was initialled on February

February 28, 1938, and will be signed upon the occasion of the visit of the Turkish Prime Minister, M. Celal Bayar to Athens next April. It will be noted that this treaty, which is concluded for ten years, is considered to supplement the Greek-Turkish treaty of Friendship, Neutrality, Conciliation and Arbitration of October 30, 1930, and the Greek-Turkish Pact of Cordial Understanding of September 14, 1933, and that these two treaties are to have the same period of validity as the present treaty. Article 1 provides that, in case one party shall be the object of an unprovoked aggression on the part of one or more Powers, the other Party will safeguard its neutrality by resisting, by force of arms if necessary, the use of its territory by such power or powers for the passage of troops, arms, munitions of war, or for the furnishing of fuel, animals, etc., or for the making of military observations. Article 2 stipulates that in the event one party is the object of a hostile act on the part of one or more powers, the other party will use its best efforts to remedy the situation. If nevertheless war should break out, the two parties undertake to examine the situation with a view to arriving at a solution in conformity with their higher interests. Under Article 3 the two Parties agree to prohibit on their territory the formation or the sojourn of organizations having as their object the disturbance of the peace or security of the other country, or the changing of its government, as well as the sojourn of persons or groups planning to struggle by propaganda or other means against the other country. The new treaty marks a further

step

step in the development of closer relations between Greece and Turkey. As has been pointed out in previous despatches from the Embassy, the rapprochement between these two countries has been one of the most striking and significant trends of development in the Near East in recent years. The present relations between the two countries were characterized as follows in a statement made to the press by the Turkish Prime Minister, M. Celal Bayar, after the initialing of the new treaty:

> "Our conversations with President Metaxas demonstrate always the perfect community of views existing between those who direct Turkish and Greek policy on all questions having to do with the common and mutual interests of our two countries. The characteristic of Turko-Greek friendship consists, moreover, in the fact that the interest of each of us manifests itself most of the time under the aspect of common interest and in working each for his own account, we are sure of working for the common benefit."*

The Conference was brought to an end on the evening of Sunday, February 27, after a final reception of the delegates by President Atatürk, and the Yugoslav Prime Minister left Ankara soon after midnight. The Greek Prime Minister remained throughout Monday and this day was utilized by the Greeks and the Turks for further conversations regarding their new treaty which was initialled at the end of the day.

Respectfully yours,

Robert F. Kelley

Robert F. Kelley,
Chargé d'Affaires a. i.

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*LA REPUBLIQUE, March 2, 1938.

Enclosures:

Enclosures:

1. Copy of address of Dr. Tevfik Rüştü Aras.
2. Copy of address of General Metaxas.
3. Copy of official communiqué.
4. Translation of official communiqué.
5. Statement of Marquis de Prat to press.
6. French text of Greek-Turkish treaty.
7. English translation of Greek-Turkish treaty.

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SWW/RFK/rs

Copies to Legations at Belgrade, Athens, Bucharest.
Copy to Consulate, Geneva.
Copy to Embassy, Paris.

4 carbon copies
Received 7 P.M.
dg

Enclosure No. / to Despatch No. 558 dated March 2, 1938, from the Embassy at Ankara.

SOURCE: JOURNAL D'ORIENT, February 26, 1938.

COPY

DISCOURS DU DR. RÜŞTÜ ARAS.

Messieurs les Présidents, Monsieur le Ministre,

Pour la deuxième fois depuis la fondation de l'Entente Balkanique, Ankara est heureuse de recevoir les représentants des Etats-alliés réunis pour les déliberations du Conseil Permanent de l'Entente. Notre capitale est en fête. Votre présence y crée une réelle atmosphère d'amitié dans laquelle nos délibérations seront fécondes en résultats et montreront au monde entier que les liens qui nous unissent sont plus solides que jamais et que nous sommes fermement décidés à marcher les mains dans les mains pour la grande cause de la paix qui a motivé la création de notre alliance et présidé à son évolution.

Au nom du Gouvernement de la République, je vous souhaite, Messieurs les Présidents et Monsieur le Ministre, la bienvenue en Turquie.

Après quatre ans d'inlassable activité, nous pouvons faire le bilan de l'Entente Balkanique sans avoir à formuler la moindre réserve sur sa réussite pleine et entière. Mais notre force ne réside pas seulement dans le regard qu'il nous est permis de jeter fièrement sur le passé, nous pouvons aussi envisager l'avenir avec toute la confiance que nous donne la justesse de notre cause qui est celle de la paix et la foi que nous avons tous en son triomphe.

Dans le monde tourmenté, nous avons constitué un exemple de tranquillité, nous avons fait preuve d'une compréhension des plus larges de toutes les exigences politiques; nous avons maintenu nos amitiés traditionnelles et développé le cadre de nos bons rapports; nous avons donné confiance au monde par une politique cohérente, loyale et dénuée de toute arrière-pensée et nous aspirons aujourd'hui à devenir, grâce à notre union indissoluble, un trait d'union d'amitié entre les peuples.

Ai-je besoin d'affirmer encore qu'Entente Balkanique signifie à nos yeux zone de paix et de collaboration cordiale et que plus nos grandes frontières contiendront à l'intérieur des peuples unis, plus nous nous sentirons forts comme serviteurs du grand idéal qui nous a attirés et rassemblés?

Sans aucune équivoque dans nos aspirations, mais aussi sans aucune faiblesse dans nos droits, nous sommes prêts à être compréhensifs.

Pour

Pour nos quatres pays, le principe qui prédomine en politique étrangère est la sauvegarde de notre indépendance politique et économique et c'est parce que nous estimons que ce principe constitue la meilleure garantie de paix, que nous sommes conscients de servir cet idéal en renforçant, dans la mesure du possible, notre force de résistance intérieure et nos moyens de défense extérieure.

Le réalisme en politique étrangère est un autre élément dont se servent les Etats- de l'Entente Balkanique avec toute la modération qui caractérise leur action internationale. C'est précisément ce réalisme qui a facilité aux alliés balkaniques leur politique de fidélité aux engagements internationaux et aux grands principes qui ont inspiré ceux-ci.

L'histoire de ces dernières années est féconde en enseigements. Nous avons su aborder ceux-ci non pas dans un esprit négatif et démoralisant, mais bien dans le sens tout à fait positif d'édification et de consolidation.

De cette conception saine de la conduite de nos affaires, le résultat s'est avéré bon. Nous pouvons aujourd'hui nous réunir autour d'une table pour faire notre tour habituel d'horizon politique avec une conscience absolument tranquille et l'assurance ferme de nous comprendre en tous points.

Messieurs les Présidents, Monsieur le Ministre,

La paix est un bien qui demande, pour être maintenu, une attention constante et une vigilance qui ne doit faire défaut à aucun moment. La responsabilité des gouvernements est lourde. Mais la tâche écrasante qu'ils ont assumée est grandement récompensée par les réalisations positives qu'ils obtiennent dans l'intérêt bien compris de leur pays et dans l'intérêt supérieur de la paix.

Enclosure No. 2 to Despatch No. 548 dated March 2, 1938, from the Embassy at Ankara.

SOURCE: JOURNAL D'ORIENT, February 26, 1938.

COPY

LA REPONSE DE M. METAXAS.

Le pacte balkanique, issu de la ferme volonté de nos peuples de vivre en fraternité pour s'assurer par la force de leur union une plus grande indépendance dans le concert des nations, n'est pas un édifice basé sur des considérations d'opportunité politique d'un moment. Il n'a de pointe dirigée contre personne pour être destiné à disparaître aussitôt son objectif atteint. C'est une libre manifestation de la maturité politique des peuples balkaniques ayant éprouvé la douloureuse expérience de longues luttes et de rivalités stériles. Sa raison d'être réside dans le besoin, profondément ressenti par nos pays, de collaboration constante pour mieux desservir nos intérêts identiques. Ses assises morales sont nos aspirations pacifiques communes.

Est-il nécessaire de proclamer une fois de plus que les espérances qu'avaient fondé en cette oeuvre de paix ses créateurs, qui sont nos peuples eux-mêmes, se sont pleinement réalisées?

Nous savons qu'en nous retournant sur le chemin parcouru nous pouvons nous enorgueillir des résultats acquis. Dans les réunions périodiques du Conseil de l'Entente et dans les consultations entre nos chancelleries nous avons toujours envisagé sous le même prisme non seulement les questions touchant nos intérêts balkaniques immédiats mais tous les problèmes d'envergure internationale qui pourraient nous affecter.

L'entente entre les quatres Etats-Balkaniques amis et alliés, forte par la confiance qui préside à leurs relations réciproques, acquiert de jour en jour, par son unité et sa cohésion plus d'importance dans le domaine international. Ainsi, le pacte balkanique, conçu en vue de la stabilité dans les Balkans est devenu un facteur précieux au service de la cause de la paix générale.

C'est dans un sentiment de foi inébranlable en l'avenir de notre union que je lève mon verre en l'honneur de S.E. M. le Président de la République turque, à la grandeur et à la prospérité de la valeureuse nation turque amie et alliée, à la santé et au bonheur personnel de Votre Excellence.

Enclosure No. 3 to Despatch No. 568 dated March 2, 1938, from the Embassy at Ankara.

SOURCE: BULLETIN OF THE ANATOLIAN AGENCY, February 27, 1938.

COPY

Le Conseil Permanent de l'Entente Balkanique s'est réuni à Ankara sous la Présidence de S.E. Monsieur Metaxas, Président du Conseil Hellénique, les 25, 26 et 27 février 1938, y ont pris part LL. EE. MM. le Président Stoyadinovitch, Comnène, et Dr. R. Aras.

1- Les représentants des états membres de l'Entente ont procédé à un échange de vues d'ensemble sur tous les aspects de la politique général et ils ont délibéré sur les questions les interessant plus particulièrement.

Il a été unanimement constaté que l'Entente Balkanique a eu un rôle des plus féconds pour le maintien de la paix et de la tranquillité dans cette région de l'Europe et qu'elle constitue un facteur des plus solides pour la réalisation de l'idéal de paix qu'elle n'a cessé de poursuivre.

Une parfaite concordance de vues sur toutes les questions de politique générale, d'intérêt commun et de relations mutuelles s'est, comme toujours, manifestés au cours des délibérations du Conseil et la solidarité unissant les membres de l'Entente s'est avérée plus ferme et solide que jamais.

2- Les états de l'Entente Balkanique, attachés aux principes dont s'est inspiré à son origine le Pacte de la Société des Nations, sont résolus de rester des membres loyaux de l'institution de Genève. Ils soulignent que l'oeuvre de cette institution doit être conforme au principe du respect absolu de leur indépendance politique et de leur égalité parfaite vis-à-vis de tous les autres membres de la Société des Nations. Fermément résolus à ne pas se mêler des questions concernant la politique intérieure des autres états, les gouvernements de l'Entente Balkanique sont décidés à ne tolérer aucune immixtion, de quelque nature qu'elle soit, dans leurs affaires intérieures.

3- Pendant l'étude des questions se rapportant à la politique méditerranéenne de l'Entente Balkanique le Conseil a été d'avis que la politique sur laquelle les états membres de l'Entente Balkanique se sont trouvés entièrement d'accord des le début, était en ce qui concerne le bassin méditerranéen une politique de bons rapports et de coopération dans le but de la paix avec chacune des principales puissances riveraines, à savoir: l'Angleterre, la France, l'Italie.

L'Entente Balkanique a suivi cette politique en parfaite harmonie entre ses membres et elle a déployé des efforts fructueux en vue de resserrer les liens des quatre pays alliés avec les susdites puissances mediterranéennes.

Après avoir traversé les phases connues, la question d'Ethiopie est devenue inexistante pour l'Entente Balkanique.

Poursuivant des lors la réalisation de leur politique mediterranéenne commune, les états alliés ont fait des efforts sérieux dans le domaine du rapprochement avec chacune des puissances ci-haut mentionnées et ils ont réussi a consolider leurs rélations amicales avec elles.

C'est dans cet ordre d'idées que s'est placée la Yougoslavie en concluant avec l'Italie un pacte d'amitié et en harmonisant ainsi ses rélations avec celles que les deux autres états membres de l'Entente et riverains de la Méditerranée avaient déja établies par des pactes similaires avec cette puissance.

D'autre part, le Conseil Permanent a constaté que, sur ces entrefaites, la Yougoslavie a nommé un nouveau Ministre Plénipotentiaire à Rome, accrédité auprès de Sa Majesté le Roi d'Italie, Empéreur d'Ethiopie, en conformité avec la nouvelle Constitution italienne; la Roumanie, qui se trouve actuellement dans une situation similaire, est à son tour décidée à accréditer sans rétard un nouveau Ministre à Rome.

Devant ces faits qui demontront une fois de plus la parfaite concordance des vues qui existent entre les membres de l'Entente Balkanique concernant la politique Méditerranéenne ci-haut mentionnée, le Conseil estime en vue de faciliter la coopération internationale dans le bassin Méditerranéen, que la Grèce et la Turquie devront aviser au nécessaire afin de conformer leur attitude dans la question d'Ethiopie aux rélations amicales qu'elles entretiennent avec l'Italie.

Le Conseil est également convaincu qu'un pas important serait fait dans le domaine de la coopération internationale susvisée par une adhésion éventuelle de l'Italie à la Convention de Montreux.

4- Le Conseil Permanent de l'Entente Balkanique a ratifié les décisions du dernier conseil économique réuni à Athènes.

5- Le Conseil a décidé de maintenir sa politique de non-intervention dans les affaires espagnoles.

Des agents pourront être délégués et reçus par les états membres de l'Entente en vue d'établir le contact avec le gouvernement du Général Franco et d'assurer ainsi la sauvegarde de leurs intérêts économiques.

6- Un projet de traité additionnel Turco-Hellénique a été présente par LL. EE. M. le Président Metaxas et le Dr. Aras, ayant pour objet l'extension de la collaboration

découlant du pacte d'Entente Cordiale turco-hellénique dans le cadre des engagements existants.

7- Le Conseil a décidé que ses deux prochaines sessions se tiendront au mois de septembre 1938 à Genève et au début du mois de février 1939 à Bucarest.

Enclosure No. 4 to Despatch No. 558 dated March 2, 1938, from the Embassy at Ankara.

SOURCE: BULLETIN OF THE ANATOLIAN AGENCY, February 27, 1938.

FULL TRANSLATION

The Permanent Council of the Balkan Entente met at Ankara on February 25, 26 and 27, 1938, under the Presidency of His Excellency Mr. Metaxas, President of the Greek Council. Their Excellencies President Stoyadinovitch, Mr. Comnène, and Dr. R. Aras took part in the meetings.

1. The representatives of the States which are members of the Entente proceeded to a general exchange of views on all aspects of general policy and deliberated on the questions of more particular interest to them.

It was unanimously established that the Balkan Entente has played a most significant rôle in the maintenance of peace and tranquillity in this part of Europe and that it constitutes a most weighty factor for the realization of the ideal of peace which it has not ceased to pursue.

A perfect concordance of views on all questions of general policy, common interest and mutual relations was manifested, as always, throughout the deliberations of the Council, and the solidarity uniting the members of the Entente was found to be firmer and more compact than ever.

2. The States of the Balkan Entente, attached to the principles which originally inspired the Covenant of the League of Nations, are resolved to remain loyal members of the Geneva institution. They emphasize that the work

of

of this institution ought to be in conformity with the principle of absolute respect of their political independence and of their perfect equality vis-à-vis all the other members of the League of Nations. Firmly resolved not to interfere in questions concerning the internal politics of other states, the Governments of the Balkan Entente have decided not to tolerate any interference, of any nature whatsoever, in their internal affairs.

3. During the study of questions concerning the Mediterranean policy of the Balkan Entente, the Council was of the opinion that the policy upon which the States members of the Balkan Entente were entirely in agreement from the beginning, was, as far as the Mediterranean basin was concerned, a policy of good relations and cooperation for peace with each of the principal adjacent powers, that is: England, France, Italy.

The Balkan Entente has followed this policy in perfect harmony among its members and it has exerted successful efforts with a view to consolidating the ties of the four allied countries with the abovenamed Mediterranean powers.

After having passed through the well-known phases, the question of Ethiopia has become non-existent for the Balkan Entente.

While pursuing since then the realization of their common Mediterranean policy, the allied States have made serious efforts in the sphere of rapprochement with each of the abovementioned powers and they have succeeded in consolidating their friendly relations with them.

It is in this order of ideas that Yugoslavia placed itself in concluding a pact of friendship with Italy and in

harmonizing

harmonizing thus its relations with those which the two other states members of the Entente and bordering on the Mediterranean had already established by similar pacts with this power.

On the other hand, the Permanent Council has ascertained that Yugoslavia, in the meantime, has appointed a new Minister Plenipotentiary to Rome, accredited to His Majesty the King of Italy, Emperor of Ethiopia, in conformity with the new Italian constitution; that Rumania, which is now in a similar position, has, in turn, decided to accredit without delay a new Minister to Rome.

In the face of these facts, which once again show the perfect concordance of views which exists among the members of the Balkan Entente concerning the abovementioned Mediterranean policy, the Council considers that in order to facilitate international cooperation in the Mediterranean basin, Greece and Turkey should take the steps necessary to conform their attitude in the Ethiopian question to the friendly relations which they maintain with Italy.

The Council is likewise convinced that an important advance would be made in the domain of the envisaged international cooperation by an eventual adherence of Italy to the Montreux Convention.

4. The Permanent Council of the Balkan Entente has ratified the decisions of the last Economic Council which met at Athens.

5. The Council has decided to continue its policy of non-intervention in Spanish affairs.

Agents

Agents may be delegated and received by the States members of the Entente for the purpose of establishing contact with the government of General Franco and thus guaranteeing the safeguard of their economic interests.

6. A draft of a supplementary Turco-Greek treaty was presented by Their Excellencies President Metaxas and Dr. Aras, having as object the extension of the collaboration resulting from the Turco-Greek Pact of Entente Cordiale within the framework of existing engagements.

7. The Council decided that the next two sessions will be held in the month of September, 1938, at Geneva, and the beginning of the month of February, 1939, at Bucharest.

Enclosure No. 5 to Despatch No. 558 dated March 2, 1938, from the Embassy at Ankara.

SOURCE: LA REPUBLIQUE, March 3, 1938.

FULL TRANSLATION

STATEMENTS MADE BY THE MARQUIS DE PRAT, AGENT OF GENERAL FRANCO IN CENTRAL EUROPE.

"I arrived a week ago from Bucharest with a view to following the work of the Council of the Balkan Entente and to informing my Government thereof. I intend to remain still some time at Ankara.

"The impressions which I received here are excellent. The concrete results arrived at by the Balkan States in so short a period of time at a moment when the international situation is so disturbed, are worthy of the highest praise. I know all the members of the Entente since I have represented my country in Rumania for five years. I have known General Metaxas intimately. I admire M. Stoyadinovitch. It goes without saying that I know M. Comnène also.

"I made the acquaintance of M. R. Aras during the course of a trip last May from Istanbul to Bucharest. I hope that my government will soon send agents to Turkey and to the other Balkan capitals. However, I can assure you that the relations between the Balkan States and the government of General Franco will, for the moment, not exceed the limits of the framework of those which have now been established between England and nationalist Spain. The English representative at Burgos has the title of principal agent, and the officials of the Foreign Office in the other cities of nationalist Spain in charge of consular affairs, are secondary agents.

"I intend to go from here to Belgrade, and from there return to Bucharest."

Enclosure No. 6 to Despatch No. 588 dated March 2, 1938, from the Embassy at Ankara.

SOURCE: ANKARA,
March 3, 1938.

COPY

TRAITE ADDITIONNEL AU TRAITE GRECO-TURC D'AMITIE, DE NEUTRALITE, DE CONCILIATION ET D'ARBITRAGE DU 30 OCTOBRE 1930 ET AU PACTE GRECO-TURC D'ENTENTE CORDIALE DU 14 SEPTEMBRE 1933.

La Grèce et la Turquie, animées du désir de développer encore davantage les liens qui si heureusement les unissent, et désireuses de conclure un traité additionnel sans que celui-ci porte une atteinte quelconque aux traités, accords et arrangements mutuels bilatéraux et plurilatéraux qui les engagent, sont convenus des dispositions suivantes:

Article 1. Au cas où l'une des Hautes Parties Contractantes deviendrait l'objet d'une agression non provoqué de la part d'une ou plusieurs puissances, l'autre Haute Partie Contractante s'engage à sauvegarder sa neutralité en s'opposant, au besoin par les armes, à ce que la ou lesdites puissances ne puissent utiliser son territoire pour des passages de troupes, armes, munitions de guerre ou pour des fournitures de vivres, bestiaux et autres, ou enfin pour le passage des troupes battant en retraite ou bien d'opérer des reconnaissances militaires sur ledit territoire.

Article 2. Au cas où l'une des deux Hautes Parties Contractantes serait l'objet d'une action d'hostilité de la part d'une ou de plusieurs tierces puissances, l'autre Partie Contractante déploiera tous ses efforts pour remédier à la situation. Si malgré ces efforts la guerre devenait un fait accompli, les deux parties contractantes s'engagent à examiner de nouveau la situation soigneusement et dans un esprit de bienveillance dans le but de parvenir à trouver une solution conforme à leurs intérêts supérieurs.

Article 3. Les deux Hautes Parties Contractantes s'engagent à ne point admettre sur leur territoire la formation ou le séjour d'organisations ou de groupements ayant pour but de troubler la paix et la sécurité de l'autre pays ou de changer son gouvernement ainsi que le séjour de personnes ou de groupements projetant de lutter par propagande ou par tout autre moyen contre l'autre pays.

Article 4. Les Hautes Parties Contractantes conviennent que les engagements mutuels, bilatéraux et plurilatéraux

qu'elles

Enclosure No. 7 to Despatch No. 548 dated March 2, 1938, from the Embassy at Ankara.

SOURCE: ANKARA,
March 3, 1938.

FULL TRANSLATION

SUPPLEMENTARY TREATY TO THE GREEK-TURKISH TREATY OF FRIENDSHIP, NEUTRALITY, CONCILIATION AND ARBITRATION OF OCTOBER 30, 1930, AND TO THE GREEK-TURKISH PACT OF CORDIAL UNDERSTANDING OF SEPTEMBER 14, 1933.

Greece and Turkey, animated by the desire to develop still more the ties which so happily unite them, and desirous of concluding an additional treaty which will not in any way impair the mutual bilateral and multilateral treaties, agreements and arrangements which bind them, have agreed upon the following provisions:

Article 1. In case one of the High Contracting Parties should become the object of an unprovoked aggression on the part of one or several powers, the other High Contracting Party undertakes to safeguard its neutrality by resisting, if necessary by force of arms, the use of its territory by the said power or powers for the passage of troops, arms, munitions of war or for furnishing food, animals and other articles, or for the passage of troops in retreat or for making military observations on said territory.

Article 2. In case one of the two High Contracting Parties should be the object of a hostile act on the part of one or several third powers, the other Contracting Party will use all its efforts to remedy the situation. If, in spite of these efforts, war became a fait accompli, the two Contracting Parties undertake again to examine the situation

qu'elles ont contractés et qui sont en vigueur continueront à produire leur plein effet indépendamment des dispositions du présent traité.

Article 5. Le présent traité qui entrera en vigueur à la date de l'échange des ratifications est conclu pour une durée de dix ans. Il restera en vigueur pour une même période si aucune des hautes parties contractantes ne l'a dénoncé un an avant son expiration et ainsi de suite.

Les Hautes Parties Contractantes conviennent que le traité turco-hellénique d'amitié, de neutralité, de conciliation et d'arbitrage du 30 octobre 1930 et le pacte d'entente cordiale du 14 septembre 1933 auront la même durée de validité que le présent traité nonobstant les dispositions y relatives qu'ils contiennent.

situation carefully and in a spirit of benevolence for the purpose of succeeding in finding a solution in conformity with their higher interests.

Article 3. The two High Contracting Parties undertake to prohibit on their territory the formation or sojourn of organizations or groups having as purpose the disturbing of the peace and security of the other country or the changing of its government as well as the sojourn of persons or groups planning to struggle by propaganda or by any other means against the other country.

Article 4. The High Contracting Parties agree that the mutual bilateral and plurilateral engagements which they have contracted and which are in force, will continue to have full effect independently of the provisions of the present treaty.

Article 5. The present treaty, which will enter into force on the date of the exchange of ratifications, has been concluded for the period of ten years. It will remain in force for the same period if neither of the High Contracting Parties has denounced it one year before its expiration, and so on indefinitely.

The High Contracting Parties agree that the Turkish-Greek Treaty of Friendship, Neutrality, Conciliation and Arbitration of October 30, 1930, and the Pact of Cordial Understanding of September 14, 1933, will have the same period of validity as the present Treaty, notwithstanding the provisions with regard thereto which they contain.

519

DOCUMENT FILE

NOTE

SEE 762.64/92 FOR Tel. #24, 4pm

FROM Hungary (Montgomery) DATED March 22, 1938.

TO NAME 1—1127 GPO

REGARDING: Rumanian reply to Hungarian proposal made at Siani has been handed to Hungarian Minister at Bucharest. Contents not yet known.

j

770.00/519

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DOCUMENT FILE

NOTE

SEE 762.63/550 FOR # 168

FROM Yugoslavia (Lane) DATED March 10, 1938.
TO NAME 1-1127 ers

REGARDING: Albanian Minister at Belgrade expressed himself as being somewhat skeptical of the results of the Conference of the Balkan Entente at Ankara.

770.00 / 520

GE

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

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DEPARTMENT OF STATE

1938 APR 20 PM 2 28

DIVISION OF
COMMUNICATIONS
AND RECORDS

DIVISION OF
MAY 6 - 1938
AMERICAN REPUBLICS
DEPARTMENT OF STATE

AMERICAN EMBASSY
ROME, April 8, 1938.

No. 858

Subject: Recognition of the Italian Conquest of Ethiopia.

DIVISION OF
EUROPEAN AFFAIRS
APR 21 1938
DEPARTMENT OF STATE

Copy in Eur - GH

770.00/521

Grade for	Distribution

note 865d.01

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APR 2
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OF STATE

DEPARTMENT OF STATE
APR 29 1938
DIVISION OF
NEAR EASTERN AFFAIRS

ADVISER ON POLITICAL RELATIONS
APR 2 1938
DEPARTMENT OF STATE

The Honorable

The Secretary of State,

Washington.

Sir:

770.00/515

With reference to the Embassy's despatch No. 817, March 4, 1938, concerning the views of the Balkan Entente with respect to recognition of the Ethiopian conquest, I have the honor to inform the Department that according to identic official communiqués published on April 5, 1938, the Italian Foreign Minister received the Turkish Ambassador and the Greek Minister, who informed him that, in accordance with the decisions

FILED
MAY 12 1938

GML

decisions adopted by the Permanent Council of the Balkan Entente at Ankara, their respective Governments consider their representatives in Rome accredited to "His Majesty the King of Italy, Emperor of Ethiopia." A translation of these communiqués is transmitted herewith.

In commenting on the Greek and Turkish communications regarding recognition of Ethiopia, the TRIBUNA remarked that Balkan Europe was now following a line of conduct which had no intention of being further hampered by ideological conceptions and that their peoples were seeing things as they were. It also paid tribute to the Yugoslav Premier as having been largely responsible for the "more realistic attitude of his Balkan colleagues."

According to a communiqué of the INFORMAZIONE DIPLOMATICA of January 5, 1938 (see Embassy's despatch No. 742 of January 7, 1938), de jure recognition of the Empire had been made formally by the following countries: Germany, Switzerland, Austria, Hungary, Yugoslavia, Albania, Spain (Nationalist), Japan, Manchukuo, the Yemen and Poland, since the last named had stated at Geneva that it considered the Italo-Ethiopian question closed. Subsequently, the Polish Foreign Minister proposed the health of the King of Italy and Emperor of Ethiopia at a formal banquet on March 9, which was generally interpreted in the Italian press as constituting formal recognition of the Empire. In addition, the Latvian Foreign Minister used the title of "King of Italy and Emperor of Ethiopia" in replying to Count Ciano's address of welcome in Rome on January 19, 1938. The Italian press reported this fact but refrained from

drawing

drawing any conclusion as regards recognition from it. According to information from Riga (see despatch No.1123 of February 16, 1938 from the American Legation, Riga), it has been denied that Latvia had accorded formal recognition to the Italian conquest of Ethiopia.

The aforesaid INFORMAZIONE DIPLOMATICA communiqué continued that the following additional countries have accredited their representatives in Rome in the name of His Majesty, the King of Italy, Emperor of Ethiopia: Chile, Panama, Guatemala, Ecuador, Ireland and Nicaragua. Since that time Belgium, the Netherlands, Greece and Turkey have done likewise. The newly appointed Rumanian Minister, who has not yet arrived in Rome, is also reported to be bringing credentials addressed to the King-Emperor (see telegram No, 38, March 9, 1 p.m., from the American Legation, Bucharest).

Among the European countries, Great Britain, France, Portugal, Bulgaria, Czechoslovakia, Soviet Russia, the Scandinavian and Baltic countries have as yet taken no formal steps with respect to recognition of the Italian Empire, although it is officially stated in Rome that Great Britain, France and Czechoslovakia, as well as Bulgaria, according to Italian press reports, have recognized de facto the exercise of Italian sovereignty over the territory of the former Abyssinian Empire. It is furthermore now known (see Embassy's telegram No, 81 of April 4, 1938) that Great Britain intends to place the question of recognition upon the agenda of the next session of the Council of the League of Nations in May, and according to information received by the

Embassy

Embassy during the course of the current Anglo-Italian negotiations, it is only a question of a relatively short delay before formal recognition will be accorded by Great Britain, which will in all probability be followed by France as well as by a majority of League States. The American Embassy in Paris has reported (see its telegram No. 520, April 1, 6 p.m.) an impression current in Paris that France will take action immediately after recognition by Great Britain.

In so far as other states are concerned, it will be recalled that the newly appointed Argentine Foreign Minister, Señor Cantilo, before his departure from Rome where he had been serving as Ambassador from the Argentine Republic, gave the impression that it would not be difficult for his Government to adopt in the matter of credentials for its new Ambassador the procedure required by Italy.

Thus it appears not unlikely that as a result of the League meeting in May all the European States, with the possible exception of Soviet Russia, as well as many other countries, will have accorded recognition to Italian sovereignty over Ethiopia.

Respectfully yours,

William Phillips

Enclosure:
1. Translation of Communiqué.

801

SR:jp

Enclosure No. 1 to despatch No. 858 of April 8, 1938, from the Embassy in Rome.

Translation of Communiqué
Published in the Italian
Press of April 5, 1938.

"The Minister for Foreign Affairs, Count Galeazzo Ciano, has received the Turkish Ambassador in Rome, Signor Huseyin Ragip Baydur, who, in conformity with the decisions taken by the Permanent Council of the Balkan Entente at its reunion at Ankara, communicated that the Government of the Turkish Republic considers its Ambassador in Rome accredited to His Majesty the King of Italy, Emperor of Ethiopia.

"Count Galeazzo Ciano took note of the communication and requested Signor Baydur to express to the Turkish Government the appreciation of the Fascist Government."

An identical communiqué was issued reporting the call of the Greek Minister upon Count Ciano.

770.00

DOCUMENT FILE

NOTE

770.00/522

SEE 740.00/375 Confidential File FOR Tel#9 4 p.m.

FROM Bulgaria (Atherton) DATED Apr. 30, 1938

191 NAME 1—1127 GPO

REGARDING:

Position of France in connection with the Balkan States and the Franco-Soviet alliance and the policies of the Little Entente group. Conversation with the Prime Minister relative to the -.

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GM 522

CONFIDENTIAL FILE

HRE

This telegram must be closely paraphrased before being communicated to anyone. (B)

BELGRADE

TELEGRAM RECEIVED

Dated May 5, 1938

Rec'd 6:15 p.m.

Secretary of State

FROM

Washington

DIVISION OF EUROPEAN AFFAIRS MAY 6 - 1938 DEPARTMENT OF STATE

DEPARTMENT OF STATE MAY 9 1938 DIVISION OF NEAR EASTERN AFFAIRS

56, May 5, 4 p.m.

CONFIDENTIAL

Foreign Office official informed me this morning that meeting of Little Entente at Sinaia will discuss four main questions:

One. Position to be taken by Mr. Ipnenas representative of Little Entente at Geneva with respect to British proposals regarding recognition of Abyssinia. Informant indicated that British attitude would be followed by these three countries.

Two. Attitude regarding Spain. Informant said that Rumanian and Yugoslav Governments having already through the Balkan Entente decided to send unofficial representative to that part of Spain occupied by General Franco will endeavor to persuade Czechoslovak Government to do likewise. Matter of recognition of Franco will not arise for the time being.

Three. Hungarian rearmament. Little Entente and Hungary are now in agreement that Hungary may rearm provided she makes declaration of non-aggression with respect to Little Entente nations. Hungary has made further condition that Hungarian minorities should be accorded more favorable treatment in Little Entente countries. Informant said that Hungary's complaint is with

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FP FILED MAY 10 1938

with respect to Czechoslovakia and Rumania but not regarding Yugoslavia.

Four. Exchange of views on general situation especially regarding German-Czechoslovak relations.

760f.62

Copies to Bucharest, Praha, Budapest, Paris, Rome, Berlin, London and Geneva.

LANE

NPL:RGC

TELEGRAM RECEIVED

JR GRAY

FROM Bucharest (part air)

Dated May 6, 1938

Rec'd 6:07 a.m., 9th.

DIVISION OF EUROPEAN AFFAIRS MAY 9 1938 DEPARTMENT OF STATE

770.00

Secretary of State,

Washington.

61, May 6, noon.

Sinaia.

Moral effect Little Entente meeting good reaffirming solidarity but tangible results this meeting nil due to the reluctance of Czechoslovaks to enter into any other minority negotiations pending clarification of their relations with Germany. Likewise so as not to exacerbate those relations they prefer to defer any active participation in Danubian Commission. Rumanians only too pleased to postpone Hungarian minority negotiations pending completion repressive measures against Iron Guard.

Another meeting of the Little Entente has been called for August next at Bled in Yugoslavia.

GUNTHER

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MAY 11 1938
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DEPARTMENT OF STATE

REB

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FROM

BELGRADE

Dated May 10, 1938

Rec'd 5:40 p. m.

770.00

Secretary of State,

Washington.

DEPARTMENT OF STATE
MAY 12 1938
DIVISION OF
NEAR EASTERN AFFAIRS

60, May 10, 6 p. m. /523

My 56, May 5, 4 p. m.

Assistant Minister for Foreign Affairs expressed to me yesterday general satisfaction regarding outcome of meeting of Little Entente at Sinaia particularly as to maintenance of friendly spirit. It is considered a good sign that conversations between Rumania and Hungary are continuing with regard to the declaration which Hungary desires to be made by the Little Entente regarding minorities and which Yugoslavia is prepared to accept.

STRICTLY CONFIDENTIAL. From confidential Yugoslav source I understand that Stoyadinovitch made remarks at Sinaia to the effect that the formation of the Kingdom of Yugoslavia was based on the principle that all Yugoslavs should be united and that consequently Yugoslavia cannot oppose the German doctrine that all Germans should be united. This reported statement of

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GDG

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MAY 13 1938

note 860h.00

Stoyadinovitch

REB

2-#60, From Belgrade, May 10, 6 p.m.

Stoyadinovitch is consistent with attitude which he assumed at the time of Anschluss explaining point of view of Italy (See my 29, March 12, 9 p. m.) and reflects growing feeling which is noticeable here that Czechoslovakia in order to avoid precipitating war should accept German conditions regarding Sudeten Germans.

Assistant Minister for Foreign Affairs expressed optimism regarding peaceful outcome of negotiations with respect to Czechoslovakia and stated that peace of Europe depends on condition whether Czechs will defend themselves. It is not believed Czechoslovakia would endeavor to defend itself against armed German invasion unless assured of assistance of France and Great Britain; that France must look to England; and that in England public opinion is not in favor of going to war for Czechoslovakia.

Regardless of official statements regarding permanence of Little Entente I am of the opinion that present economic and political value is largely illusory. Yugoslavia's dependence on German and Italian markets has loosened economic ties with Czechoslovakia while political

dependence

REB

3-#60, From Belgrade, May 10, 6p.m.

dependence of Hungary on Germany and unwillingness of Yugoslavia and Rumania to offend Germany render nugatory the fundamental purpose of the Little Entente, i.e., protection against Hungary.

Despatch follows.

Copies to Praha, Bucharest, Budapest, Berlin, Rome, London, Paris.

LANE

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TELEGRAM RECEIVED

DIVISION OF
EUROPEAN AFFAIRS
MAY 13 1938
DEPARTMENT OF STATE

FROM

LMS
This telegram must be closely paraphrased before being communicated to anyone. (B)

Geneva

Dated May 12, 1938

Rec'd 3:22 p. m.

Secretary of State,

Washington.

4, May 12, 6 p. m.

CONFIDENTIAL.

770.00/523

Reference Belgrade's 56, May 5, 4 p. m., paragraph three.

Member of Rumanian delegation informs me that formula to meet Hungarian demands respecting treatment of Hungarian minorities in Rumania has been presented to Hungarian Government and that Little Entente Governments are ready to conclude simultaneous agreements with Hungary but that while willing to conclude separate arrangements with Rumania and Yugoslavia, Hungary is not prepared to conclude arrangement with Czechoslovakia and is obviously awaiting outcome of present Czechoslovak German controversy. My informant stresses Little Entente determination to stand together and points out delay is now solely due to Hungary.

Copies to Bucharest, Belgrade, Praha, Budapest.

HARRISON

CSB

770.00/526

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MAY 17 1938
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LEGATION OF THE
UNITED STATES OF AMERICA

No. 240 Belgrade, May 5, 1938.

Subject: Meeting of the Permanent Council of the Little Entente.

770.00

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The Honorable

The Secretary of State,

Washington.

ADVISER ON POLITICAL RELATIONS
MR. DUNN
MAY 18 1938
DEPARTMENT OF STATE

DEPARTMENT OF STATE
A-M/C
ASSISTANT SECRETARY OF STATE

Sir

I have the honor to report the departure for Sinaia, Rumania, on May 3 of the Yugoslav Prime Minister and Minister for Foreign Affairs, Dr. Milan Stojadinović, accompanied by the Assistant Minister for Foreign Affairs, Dr. Ivo Andrić, to attend the meetings on May 4, 5 and 6 of the Permanent Council of the Little Entente.

During the absence of Dr. Stojadinović, Dr. Anton Korošec,

770.00/527

FILED
MAY 25 1938

GDG

Korošec, Minister of Interior, has assumed the functions of Acting President of the Council and Acting Minister for Foreign Affairs.

The Yugoslav press has devoted a very considerable amount of space to the present Conference of the Permanent Council, mentioning the many recent developments of great international importance and predicting that the three States will adopt a united and realistic attitude towards such developments. Of some interest is an article in the Belgrade Jugoslovenski Lloyd of
1/ April 26, a translation of which is enclosed.

I am reporting in my despatch No. 239 of today as to the attitude of the Yugoslav Government towards the various questions discussed during the meetings at Sinaia.

Respectfully yours,

Arthur Bliss Lane

Enclosure:

1. Translation of article dated April 26, 1938.

File No. 710

CSR/FC

Copies to Prague, Bucharest, Budapest and Berlin.

Enclosure to Despatch No. 240 dated May 5, 1938, from the American Legation, Belgrade, entitled: "Meeting of the Permanent Council of the Little Entente".

Translation of an Article appearing in the Belgrade Jugoslovenski Lloyd of April 26.

THE DANUBE PROBLEM

It is but natural that the economic expansion of Greater Germany has followed the Danube, which now, from Passau to Thebean, has become a German river. This orientation towards the southeast, a policy which has been decided upon in Berlin following the new geographic-political situation and which constitutes a most important economic and military factor, is clearly manifested in the first measures taken by the Government of the Reich in Austria. Hitler personally opened in Salzburg a new system of automobile highways which will in 1941 link the north and the south, thus bringing the Italian, Hungarian and Yugoslav frontiers closer to the sphere of influence of the German Reich. The strategic importance of the Austrian automobile highways, by means of which the German General Staff will be able at the decisive moment to shift Austrian troops rapidly towards the west and German troops towards Austria, against a possible enemy, is beyond doubt.

The second project which Germany has in mind, in order to readjust its economic dynamism, is the construction of the Rhine-Main-Danube canal. The river of the Niebelungen will be transferred into a great European navigable artery, to be navigated by ships from the North Sea to the Black Sea. Vienna, which is to become the Hamburg of the Orient, is already proceeding with the preliminary work of the construction of a port on the Danube.

It has been announced that the Government of the Reich has the intention of denouncing the International Statute of the Danube and of establishing the complete sovereignty of the Reich over the river from Regensburg to the frontier of the Reich.

It is evident that these German plans must interest the other Danube States, that is, Hungary, Yugoslavia, Rumania and Bulgaria. The Little Entente and the Balkan Entente will have to examine these plans and adopt some attitude in this respect.

As was announced, the Permanent Council of the Little Entente will meet at Bucharest on May 4, 5 and 6. According to information appearing in the Czechoslovak Narodni Politika, the Conference

of

of the Permanent Council of the Little Entente will define its attitude towards the problems connected with the international situation: namely, the collaboration between Great Britain and France, the Anglo-Italian agreements and negotiations between Italy and France. Furthermore the Conference will, no doubt, examine questions related to the unification of Germany and Austria from the point of view of the repercussions of the Anschluss upon the States of the Little Entente. Here one has specially in view the interests of Rumania on the Danube. Rumania fears that by the annexation of Austria the question of the Danube Statute may be again opened up. Rumania desires that the States of the Little Entente adopt a common attitude towards navigation on the Danube. According to available information, the question of communications on the Danube will be one of the principal ones on the order of the day of the Conference of the Little Entente at Bucharest. The States of the Little Entente must be ready to face Germany's expansion in this field; and that is the reason why decisions must be adopted at this conference.

The Rumanian press has of late devoted a considerable attention to the new situation created on the Danube. Thus the Rumanian newspaper Timpul demands the construction of two bridges on the Danube, one of which should join Rumania with Yugoslavia and the Adriatic, and the other Warsaw with Sofia and Salonica. The same paper demands the construction of a highway network in order that these bridges become profitable and their international importance be emphasized.

A true copy of the signed original.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 295. Bucharest, April 30, 1938.

Subject: Little Entente Conference at Sinaia May 4th to 6th.

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DEPARTMENT OF STATE
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ASSISTANT SECRETARY OF STATE

The Honorable
The Secretary of State,
Washington.

Sir:

765.71/43

As mentioned in my despatch No. 289 of April 20th last, the Permanent Council of the Little Entente, composed of the Foreign Ministers of Yugoslavia (Stoyadinovitch), Czechoslovakia (Krofta) and Rumania (Comnen), will hold its thirty-fifth meeting at Sinaia on May 4th, 5th and 6th. The Conference will take place at the Hotel Palace, where the delegates will also reside.

Today's newspapers carry the official program of the Conference, which I have the honor to present in summary as follows:

Wednesday,

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MAY 24 1938

Wednesday, May 4th

9:15 a.m. Arrival of Stoyadinovitch and Krofta at Sinaia, where they will be met by Comnen.

10 a.m. Signature by Stoyadinovitch of the King's register at the Chateau Peles.

10:15 a.m. Signature by Krofta in the King's register.

10:45 a.m. First sitting of the Council.

1:30 p.m. Intimate lunch in the Palace Hotel.

5 p.m. Second sitting of the Council.

8:45 p.m. Dinner offered by the Rumanian Foreign Minister and Mrs. Comnen.

10:30 p.m. Gala concert.

Thursday, May 5th

10:30 a.m. Third sitting of the Council.

12 noon. Audience of Stoyadinovitch with King Carol.

12:30 p.m. Audience of Krofta with King Carol.

1:30 p.m. Intimate lunch in the hotel.

5 p.m. Fourth sitting of the Council.

6 p.m. Declarations to the press.

8:30 p.m. Dinner at the Royal Chateau Foisor.

Friday, May 6th

Departure of Foreign Ministers Stoyadinovitch and Krofta.

As usual, there has been no announcement of the agenda of the Conference. Coming as it does, however, just after such far-reaching events as the German absorption of Austria and the Anglo-Italian rapprochement, and just before the session of the League Council which opens

at

at Geneva on May 9th, the meeting will undoubtedly find many of the problems to be discussed clearly indicated. Yesterday's TIMPUL lists them as follows:

(1) The situation created in Central Europe by Germany's absorption of Austria;

(2) The relations of each of the States of the Little Entente with their respective neighbors;

(3) How the States of the Little Entente will function in the event of any international change;

(4) The situation in the Danubian Basin and the question of relations with Hungary; and

(5) Economic collaboration of Rumania, Yugoslavia and Czechoslovakia, and the possibilities of harmonizing their interests under the new circumstances created in Central Europe.

Much of the interest in the forthcoming Conference attaches, of course, to the opportunity of observing the present state of repair of the three-legged stool which has been bearing a share of France's weight in the past and whose two Balkan supports have latterly (first Yugoslavia and then Rumania) shown signs of weakening. The wording of the final communiqué and statements to the press will undoubtedly be of a reassuring character, but observers here are not inclined to anticipate any results which would be able to overturn the widespread conviction that the Little Entente has lost most of its political significance except insofar as it may continue to serve its original purpose, that is, to hold Hungary in check.

Respectfully yours,

Cloyce K. Huston,
Chargé d'Affaires ad interim.

710.
t.
CKH:EMS. Copies to Belgrade, Prague.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 239. Belgrade, May 5, 1938

Subject: Meeting of the Little Entente at Sinaia, Rumania.

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MAY 28 1938
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DEPARTMENT OF STATE
A-M/C
JUN 2 - 1938
ASSISTANT SECRETARY OF STATE

The Honorable
The Secretary of State,
Washington.

Sir:

Referring to my telegram No. 56 of May 5, 4 p.m., I have the honor to state that the information contained therein was obtained this morning from Dr. Miloje Smiljanić, Director of the Political Department and at present the senior Foreign Office official in Belgrade, in the absence of Dr. Milan Stojadinović and of Dr. Ivo Andrić at Sinaia, and of Dr. Milivoj Pilja at Berlin. Dr. Anton Korošec who is acting as Prime Minister and Minister for Foreign Affairs in the absence of Dr. Stojadinović is, of course, titular head of the Foreign

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JUN - 8 1938

G/HC

Office

Office, but the Ministry is virtually in charge of Dr. Smiljanić for the moment.

In reply to my inquiry Dr. Smiljanić said that four main questions would be discussed at Sinaia, as follows:

1. Attitude of Little Entente towards recognition of the conquest of Ethiopia.--Dr. Smiljanić said that the solution of this question is simple, all the three Governments having indicated their attitude. The Yugoslav and Rumanian Governments not only have accredited Ministers to the King of Italy and Emperor of Ethiopia but have likewise, through the Balkan Entente, given public expression of their attitude. The Czechoslovak Government has likewise recently announced that it would accredit an envoy to the Emperor of Ethiopia; thus it is merely a matter of procedure for the three Governments to reach a formal agreement as to their common position. This agreement will have a practical effect, however, as it will be necessary for the Little Entente to authorize Mr. Comnen, Rumanian Minister for Foreign Affairs, who will represent the Little Entente at the forthcoming meeting of the Council of the League of Nations, to define the attitude of the Little Entente with regard to the proposals which Great Britain will make, in order to alter the attitude of those states which are members of the League of Nations and which at the instance of Great Britain and France imposed sanctions upon Italy and refused to recognize the conquest of Abyssinia. As the result of the British-Italian conversations at Rome, and the subsequent conclusion of an agreement between the two countries, it will be a simple matter for those

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states

states which are members of the League of Nations to follow the British lead.

2. Spanish situation.--The Yugoslav and Rumanian Governments will endeavor to persuade the Czechoslovak Government to send an unofficial emissary to that part of Spain occupied by General Franco, in accordance with the attitude already taken by Rumania and Yugoslavia in their capacity as members of the Balkan Entente. Dr. Smiljanić said that the sending of an emissary does not constitute recogniton of General Franco; nevertheless it is considered wise to adopt this preliminary step and that the Little Entente should act as a united body. He expressed the opinion that the Czechoslovak Government would assent to an unofficial representative being appointed to "Francoist" Spain.

852.80

3. The rearmament of Hungary.--The question of most interest to the Little Entente at the present time is that of the rearmament of Hungary. Conversations have been taking place for some time between Hungary on the one hand and the Little Entente on the other. The Little Entente has been agreeable to the rearmament of Hungary provided Hungary would make a declaration of non-aggression with respect to the Little Entente nations. Hungary expressed willingness to give such a declaration provided the members of the Little Entente would guarantee to Hungarian minorities in the respective Little Entente countries equality of treatment such as that accorded to the nationals of the respective countries. Dr. Smiljanić said that the chief complaint had to do with the treatment of Hungarians in Czechoslovakia and Rumania, the

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Hungarians

Hungarians in Yugoslavia being well treated. He said that the Hungarian Minister in Bucharest had recently been summoned to Budapest, where he was given instructions, and that he is empowered not only to obeserve but to enter into informal conversations with the three Foreign Ministers of the Little Entente. He added that the Hungarian Minister is now in Sinaia.

4. General situation.--Naturally the Little Entente is interested with regard to the results of the Anschluss. This being the first meeting of the Little Entente since that event there will be a full expression of opinions on this subject, and on the larger subject dealing with the general European situation, especially that effecting German-Czechoslovak relations.

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Dr. Smiljanić added that if Germany agrees to a mediation by France and Great Britain of the question of the Sudeten Germans in Czechoslovakia, there will be nothing for the Little Entente to do but follow the Franco-British lead. In any case, he said, the question would undoubtedly drag along for the remainder of this year. I inferred from his remarks and his general attitude that the Yugoslav Government is optimistic regarding the peaceful and satisfactory settlement of Czechoslovak-German relations.

Respectfully yours,

Arthur Bliss Lane

Arthur Bliss Lane

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NOTE

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SEE 865d.01/483 FOR #136

FROM Czechoslovakia (Carr) DATED April 21, 1938
TO NAME

1—1127 GPO

REGARDING:

Czechoslovak recognition of Italian conquest of Ethiopia.

Belief that President Benes intended through - to give another indication of the common front of the Little Entente. Belief that the Little Entente will at the forthcoming May 6th Conference support the May 9th Council Meeting of the League.

G/HC

531

DOCUMENT FILE

NOTE

SEE 864.00-P.R./141 FOR Despatch #1054

FROM Hungary (Montgomery) DATED May 6, 1938.

TO NAME 1--1127 e.f.o

REGARDING: Meeting at Sinaia on May 4, 1938 of the Foreign Ministers of the Little Entente.

Report -, at which a Hungarian-Yugoslav rapprochement seemed probable.

hc

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GMB

LEGATION OF THE
UNITED STATES OF AMERICA

~~EU~~
~~PA/D~~
~~AD/C~~
NE

No. 244 Belgrade, May 7, 1938.

Subject: Return of Yugoslav Prime Minister to Belgrade.

DIVISION OF EUROPEAN AFFAIRS
JUN 1 1938
DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JUN 9 1938
DEPARTMENT OF STATE

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JUN 13 1938

G/HC

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to my despatch No. 240 of May 5, 1938, reporting the departure of the Yugoslav Prime Minister and Minister for Foreign Affairs, Dr. Milan Stojadinović, to participate in the meetings of the Permanent Council of the Little Entente, and to my despatch No. 239 of May 5, in regard to the questions to be discussed during these meetings, I have the honor to report the Prime Minister's return to Belgrade

the

the evening of May 6.

At the same time, I have the honor to report the passage across Yugoslavia by way of Subotica of Mr. Petrescu Comnen, Rumanian Minister for Foreign Affairs, on his way to Geneva, to represent the Little Entente in the meetings of the Council of the League of Nations. At Subotica Mr. Comnen made a statement, of which the following is a translation, to the Yugoslav press:

> "The work of the Little Entente and the results obtained at the last meetings have once again proved the vital force and, in a general way, the decisive influence and importance of this grouping in the cause of peace in the Danube Basin. These results have been obtained with the enlightened collaboration of Dr. Stojadinović and Dr. Krofta. These are decisive for the friendly cooperation with all the neighboring countries in the maintenance of peace."

Respectfully yours,

Arthur Bliss Lane

File No. 710

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DEPARTMENT OF STATE

DIVISION OF EUROPEAN AFFAIRS

June 2, 1938.

MEMORANDUM

HHT.

PTC.

The attached despatch of May 9 from Bucharest reports on the Little Entente Conference at Sinaia. The chief points of a communique issued following the conference are listed on page 2 of the despatch. Gunther is "convinced that there were no particular developments at the conference".

Eu:PTC:MLD

PTC

LEGATION OF THE
UNITED STATES OF AMERICA
Bucharest, May 9, 1938.

No. 318.

Subject: The Little Entente Conference at Sinaia.

DIVISION OF EUROPEAN AFFAIRS
JUN 1 1938
DEPARTMENT OF STATE

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ADVISER ON POLITICAL RELATIONS
MR. DUNN
JUN 3 1938
DEPARTMENT OF STATE

770.00/533

DEPARTMENT OF STATE
A-M/C
JUN 3 1938
ASSISTANT SECRETARY OF STATE

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to confirm my telegram No. 61 of May 6, noon, reporting that the Conference of the Permanent Council of the Little Entente which was held at Sinaia on May 4th and 5th (the subject also of despatch No. 295 of April 30th last) brought no tangible results and that, both Czechoslovakia and Rumania being loath at the present juncture to bring the minorities question out into the open, little was achieved beyond a certain show of "reaffirmed solidarity". However, that it should have met at all was something and it is noteworthy that another meeting has been called so soon.

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The official communiqué issued at the close of
1/ the meeting, a full translation of which is attached hereto, carried much of the usual phraseology but was mainly inconsequential and uninforming in character. Its chief points may be summed up as follows:

1. The Council considers the recent Anglo-Italian accord of high importance to the cause of peace.

2. Particular attention was given to the relations between the Little Entente and Hungary, it being the hope that the negotiations already initiated may be pursued to a successful end.

3. The Little Entente reaffirms its loyalty to the League of Nations and avows full unanimity as to the views that its representative (Comnen) will present at the forthcoming meeting of the League Council.

4. The new situation created in the Danubian basin (by the Anschluss) was attentively examined and it was determined to continue collaboration looking to mutually profitable economic development in that area.

5. The results of the XIth session of the Economic Council of the Little Entente (at Bucharest March 9-18) were approved and the development of the economic ties of the Little Entente States will be continued.

6. The next meeting of the Permanent Council of the Little Entente is fixed for August next at Bled.

The speeches given on the occasion of the dinner offered by Foreign Minister Comnen on May 4th contained little more than the essential politenesses, perhaps one of the most interesting remarks being that of Stoyadinovitch when he said: "Under the wise rule of its August Sovereign and the patriotic direction of its statesmen, Rumania moves forward upon the path of progress, and its allies are happy to be able to note this

fact

fact once again". In a statement to a local newspaper (UNIVERSUL) at the close of the meeting Krofta professed satisfaction with the results obtained and, recognizing the new and difficult situation created by the Anschluss, endeavored to portray the Little Entente unity and solidarity as an undiminished force. His subsequent radio address was, as were those of Stoyadinovitch and Comnen, though more weakly, in the same vein. (A translation of the Krofta statement to the

2/ UNIVERSUL forms an enclosure hereto.)

Comment in the Rumanian press has lacked any particular point, although through it all there seems to run a fervent desire for a détente in the Danubian basin, meaning a rapprochement with Hungary. The "invitation to Hungary" is frequently noted, the endorsement of League principles is generally echoed and there is almost uniform inclination to seek British and French shelter. A natural reserve in the face of the Anschluss is apparent, and some satisfaction is expressed over indications that Italy will offer no opposition to Little Entente endeavors to achieve Danubian collaboration. Translations of extracts of perti-

3/ nent leading articles form an accompaniment to this despatch. (There is, of course, no opposition or party press at present and censorship is rigidly maintained.)

I attended the Rumanian Foreign Minister's dinner on May 4th and maintained close contact with my Colleagues at Sinaia throughout the meeting. The Hungarian (Bardossy), Italian (Sola), German (Fabricius) and French (Thierry) Ministers were, not unnaturally, in

close

close attendance----the Franco Spanish Minister was also there though he did not attend the dinner----and corridor consultations were continuous, but I am convinced that there were no particular developments. The shadow of the Anschluss falls heavily on the Little Entente and the desire for rapprochement with Hungary becomes correspondingly sharper. But the recognition of greater need for, and (tacit) admission of greater difficulty in maintaining, Little Entente solidarity brought no magic solution; rather they merely increased the disposition to share with France and England any positive initiative to curb German designs in this part of the world.

Respectfully yours,

Franklin Mott Gunther.

Enclosures:

1- Translation of communiqué.
2- " of Krofta statement.
3- " of excerpts from press.

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CKH:EMS.

Copies to Belgrade, Prague, Budapest, Berlin.

Enclosure No. 1 to Despatch No. 318 of May 9, 1938, from the American Legation, Bucharest.

(Translated from TIMPUL, May 7, 1938.)

COMMUNIQUE ISSUED AT CLOSE OF LITTLE ENTENTE MEETING AT SINAIA, MAY 4-5, 1938

The Permanent Council of the States of the Little Entente met in session at Sinaia on May 4 and 5, 1938, under the presidency of Mr. N. P. Comnen, Minister for Foreign Affairs of Rumania.

Yugoslavia was represented by Mr. Stoyadinovitch, President of the Council of Ministers and Minister for Foreign Affairs, Czechoslovakia by Mr. Kamil Krofta, Minister for Foreign Affairs.

The three Ministers for Foreign Affairs reviewed the different events which have marked the international situation since the last reunion of the Permanent Council and proceeded to a detailed exchange of views on all questions which especially interest the policy of the Little Entente.

They reached the unanimous conclusion that efforts must be continued looking to a collaboration in every task of conciliation and entente.

The Permanent Council of the Little Entente has accorded special interest to the recent Anglo-Italian accord, which it considers an element of high importance aiming to assure and to maintain a durable peace.

The Permanent Council has examined most perseveringly the question of relations of the States of the Little Entente and Hungary. It maintains its unanimous desire to continue the negotiations in progress, with the object of contributing to the establishment of a regime of understanding and confidence in the Danubian Basin.

The Little Entente reaffirms the sentiments of loyalty of its members to the League of Nations. It recalls the declaration made, in the name of the three countries, by the Rumanian representative at the last session of the Council in the month of January of this year. It proclaims its will to contribute, in the spirit of this declaration, to the realization of the ideal of international collaboration as conceived by the authors of the Covenant.

The Permanent Council has taken cognizance of the agenda of the approaching session of the Council of the League of Nations and has noted the perfect identity of views of its members with regard to the attitude to be adopted by the Rumanian delegate, who represents the Little Entente at the Council of the League of Nations.

The Permanent Council examined with the utmost attention, de facto and de jure, the new situation created on the Danube from the point of view of the navigation regime and agreed in recognizing that it is in the interest of all those who have collaborated up to now in the progress of economic exchange in the Danubian region to seek most suitable means of continuing to lend their moral, technical and material collaboration in the search of solutions, having in mind all existing interests.

The Permanent Council took cognizance of and approved the results of the XIth Session of the Economic Council held at Bucharest from March 9 to 10 last, subject to the ratification of the three Governments.

The three Ministers were happy to note that the economic organ of the Little Entente conducts a more fruitful activity from year to year, and they are determined to continue, through their competent authorities, the study and the putting into application of all measures which aim to strengthen the different economic ties among the States of the Little Entente.

The next reunion of the Permanent Council of the Little Entente will take place at Bled at the end of August of this year.

Enclosure No. 2 to Despatch No. 318
of May 9, 1938, from the American
Legation, Bucharest.

(Translated from
UNIVERSUL, May 7,
1938)

STATEMENT BY MR. KROFTA
AT CLOSE OF SINAIA MEETING

"I am satisfied with the results obtained. It can not be denied that, following the Anschluss, the Little Entente found itself in a new and, I might say, more difficult situation, since the replacement of Austria by a very powerful State like Germany changed the conditions of the existence of the Little Entente. This new situation may have repercussions in the three States of the Little Entente. It was supposed by some and expected by others that the Little Entente, following the Anschluss, might weaken or even dissolve. Some foreign newspapers even spoke of the probability of such a dissolution.

"The present Conference of the Permanent Council of the Little Entente has given proof that the representatives of the three States realize not only that they must maintain their solidarity but that this solidarity is today more necessary than ever. From the discussions which took place it was noted that we are agreed on all common questions and that there exists no discord among us.

"We are decided to continue our policy on the basis and in the framework of the initial pact of the Little Entente and in conformity with the provisions of its pact of organization.

"The reciprocal engagements provided in the initial pact of the Little Entente remain intact and our organism, solid and firm, has decided to continue its common collaboration, and the provisions of the pact of organization also remain intact in the framework of which our political action will continue to develop, signifying that, although each of the three States has liberty of action in its relations with third parties, still none of them can undertake anything without the knowledge and the consent of the other two States.

"The importance of these decisions on which we are entirely agreed merits pointing out and warrants the statement which I made at the beginning that I am pleased with the results obtained."

Enclosure No. 3 to Despatch No. 318
of May 9, 1938, from the American
Legation, Bucharest.

(In translation)

EXCERPTS FROM RUMANIAN PRESS
REGARDING MEETING OF LITTLE ENTENTE AT SINAIA

LE MOMENT (democratic, French-language daily), May 6, 1938

.....In the name of the Little Entente Mr. Comnen yesterday evening invited the neighboring States of the Danubian area to associate their efforts with those of Rumania, of Czechoslovakia and of Yugoslavia "to the end of realizing a historic task of good understanding and fraternity".

The meaning of this invitation certainly will not escape the attention of the chronicler of foreign policy, here or abroad, because it opens the way to negotiations of a nature to render possible of achievement an ideal which has existed for two decades.

INDEPENDANCE ROUMAINE (formerly official French-language organ of National Liberal Party), May 7.

It is opportune to recall all the problems which were on the Council's agenda and to realize the solidarity of the Little Entente with the attitude taken by the Rumanian representative.

This solidarity was expressed elsewhere, in the communiqué issued by the Balkan Entente following its last meeting at Ankara.

It may be noted after Sinaia that the Little Entente has affirmed itself, as Mr. Comnen himself expressed it, to be an organism of a vitality and an efficacity which become more and more effective as the circumstances become more grave.

TIMPUL (democratic), May 7.

Without any ostensible trumpeting the three Governments affirm (in the communiqué) simply and with measure, their desire for understanding and general cooperation.

CURENTUL (nationalistic, anti-Semitic), May 7.

As regards the question of the Danube it seems that Germany would like to have for this river a regime in which only the riverain States are represented. But, that would signify fully and simply the dictatorship of Germany in the Danubian Basin. The little riverain States desire that their rights be safeguarded by all

the

the great powers which are today represented in the International Commission. Besides, Italy, England and France, who have a river trade, will never abandon their interests on the Danube for the love of anyone whatsoever.

As regards the question of the minorities, the Little Entente maintains to the end the point of view affirmed by Rumania before the Council of the League of Nations. Our countries desire that the rights of all citizens be respected, but they do not wish to receive lessons from abroad in matters pertaining to their interior policy. The minorities who place themselves under the protection of Rumanian moral justice will always be well treated, but those who believe that outsiders are able to create for them a favorable regime in our country will be considered, in conformity with this attitude, as "extra muros".

A worthy task was performed at Sinaia.

UNIVERSUL (nationalistic, anti-Semitic), May 8.

.....The communiqués of the Little and Balkan Ententes are, usually, broad and complete. Having as object peace and methodical collaboration, the two political unions do not hesitate to give their discussions and decisions full official publicity. This time, in an international atmosphere changed by the accomplishment of the Anschluss, the Conference at Sinaia maintains an explainable reserve at a moment when so many decisive events are in progress.

It pursues its traditional path in concluding that "efforts must be continued looking to a collaboration in any task of peace and understanding". Attempts for peace and understanding are numerous in the present agitated Europe.

.....Among others, between Budapest and the capitals of the Little Entente conversations are in progress with a view to a détente in the Danubian Basin. This concrete question is one of the objects of the communiqué at Sinaia..... The reason for the existence of the Little Entente, the maintenance of the territorial status quo, shows the limits of such negotiations. The fact that Hungary has begun conversations within this limit is gratifying to the friends of peace..... The détente which may be reached would permit an examination of the treatment of the minorities in an atmosphere of reciprocal understanding.

SEMNALUL (democratic), May 8.

The result of the conversations of Messrs. Stoyadinovitch, Krofta and Comnen was the agreement on their

attitude

attitude toward the new situation in the Danubian Basin. In the common and permanent object of maintaining peace, the relations of friendship with Hungary signify for the States of the Little Entente an additional guarantee. For this reason the Ministers for Foreign Affairs of Yugoslavia, Czechoslovakia and Rumania occupied themselves, above all, with the Hungarian problem. It appears also that England, France and Italy desire that this part of Europe should finally find its own stable equilibrium.

The firm desire of rapprochement of Hungary was enunciated in the speech of Mr. Comnen.....

By the disappearance of Austria, Hungary can never again turn her eyes to Vienna. The Anschluss has fundamentally changed the German-Hungarian relations. It is Greater Germany's interest not to strengthen but to weaken Hungary, which would serve as the former's economic and political farm and granary.

If we add to this legitimate need of Hungary for independence, which she feels more and more must be guaranteed, the fact that Italy, a friend so long, lends support to a rapprochement with the loyal States of the Little Entente, we are justified in hoping that the remaining few obstacles on the path of a new policy will be removed.....

PREZENTUL (economic organ, formerly National Peasant), May 9.

The communiqué of the Little Entente comprises a declaration of fidelity to the League of Nations in terms of high idealism that lifts the reader into dreamy skies. Still this international institution plays an earthly role and will exercise a political function in which the countries of the Little Entente can find important advantages. I can not but repeat that one of the most important guarantees of our independence is found in our ties with the Occident, and that the only actual tie with England originates from the Covenant of the League of Nations. The recent statements of Mr. Chamberlain concerning Czechoslovakia have stressed the great importance of this question. In the provisions of the Covenant is found the basis of a common action and of the faculty of the British Empire to intervene in European conflicts.....

The invitation extended to Hungary following the disappearance of Austria should find in the Hungarian nation a favorable echo to the extent that it desires to collaborate jointly in the maintenance of the independance of the States of the Danubian Basin. One cannot but subscribe to this appeal. Though made on our part in good faith, it should not prevent us from being very cautious. We should maintain our solidarity and relations of confidence with France and England so that we----these two States and the Little Entente----can be associated in preserving the liberty of this region. We should not nurse the sentiment that other combinations might more capably fulfill this role and lose thereby our present rank and utility.

LEGATION OF THE
UNITED STATES OF AMERICA
Budapest, May 19, 1938.

No. 1074.

Subject: Conference of Little Entente States; Hungarian Reaction to Discussion Thereat.

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DIVISION OF EUROPEAN AFFAIRS
JUN 1 1938
DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JUN 3 1938
DEPARTMENT OF STATE

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JUN 6 1938

DEPARTMENT OF STATE
A-M/C
JUN 4 - 1938
ASSISTANT SECRETARY OF STATE

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The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the meeting of the Council of the Little Entente, held early in the month at Sinaia, I have the honor to report that Baron Apor told me that the situation insofar as Hungary is concerned remains unchanged and that he does not

expect

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JUN 18 1938

expect any important developments in the near future.

As of possible interest, there is enclosed a translation of an editorial which appeared in the
1/ semi-official PESTER LLOYD of May 7, 1938, which was marked to indicate its Foreign Office inspiration.

In his initial speech before the Lower House of Parliament, on May 14, Prime Minister Imrédy expressed his readiness to resume discussions with the Little Entente States, with a view to regularizing their mutual relations.

Respectfully yours,

John F. Montgomery.

Enclosure:
1. Translation of editorial from PESTER LLOYD of May 7,1938.

In quintuplicate.

Legation file 710.

Enclosure 1 to Despatch No. 1074 of May 19, 1938,
from the American Legation, Budapest, Hungary.

TRANSLATION
SOURCE: PESTER LLOYD of
Budapest, May 7, 1938.

HUNGARY AND THE LITTLE ENTENTE
(Foreign Office-Inspired Article)

The Little Entente conference, held these days at Sinaia, has greatly interested the world public. We do not exaggerate by saying that such general attention chiefly centered in the manner in which the statesmen assembled at Sinaia dealt with the problem of the relations of their States with their neighbors. Petrescu-Comnen, Rumanian Foreign Minister, broached this question by declaring, in his toast at the dinner for the guests, in the name of the Little Entente Governments, that the three States were extending friendly hands to their neighbors, inspired by the wish to maintain peace in the Danube Valley and to create the confidence which is needed for closer cooperation among the Danube States.

We Hungarians, who really and truly desire a normalization of relations between ourselves and the States of the Little Entente, do not wish to doubt the sincerity of these words of the Rumanian Foreign Minister. We do not wish to believe that this announcement of readiness to cooperate on behalf of the Little Entente States merely pursues a tactical aim. Hence, we wish to assume that the Rumanian Foreign Minister expressed the sincere wish of the statesmen assembled at Sinaia by speaking of the creation of an atmosphere of confidence and understanding in the Danube Valley.

When there is any talk of an atmosphere of confidence and of normal inter-State life in the Danube Valley, one naturally must think also of Hungary in the first place, among the States thereby concerned. Nobody can doubt the good-will of Hungary to contribute to the creation of such an atmosphere. It is sufficient to point to the recent history of relations between Hungary and the three States of the Little Entente. It is a generally known fact that the discussions, begun last year for the purpose of the normalization of relations between ourselves and the Little Entente, after discussions conducted at Geneva on the occasion of the general assembly of the League of Nations, progressed no farther for a period of over six months - an interval due not to any fault of Hungary, but to domestic conditions in one of our neighbor States. This was the reason which precluded a successful conclusion of the discussions with the two other States, the member States of the Little Entente having to act in accord, which means that the difficulties presented in the discussions with one of them also made it impossible to continue discussions

with

with the two others.

This mighty pause found Hungary playing the part of patient waiting. We waited all the time until it became possible to resume the discussions. If our readiness to reach an understanding had not been sincere, we might easily have availed ourselves of this long interval in the discussions - one which lasted over half a year - for breaking off the discussions. We never thought, however, of doing such a thing, because in spite of the long interruption we were all the time convinced that also the three States on the opposite side meant to take seriously the efforts aimed at a result, and to see them through.

It is nearly superfluous to point to the question which plays the most important part in these discussions aimed at the creation of correct relations between Hungary and the States of the Little Entente. This question is that of the situation of the Hungarian minorities which today still occasions very justified complaints and which, in its unsolved state, is the greatest obstacle to the achievement of satisfactory relations. This circumstance may be known generally, especially since Hungarian competent quarters repeatedly made most unequivocal statements on this subject.

It is quite clear to us that this minority problem presents many difficulties and that its solution requires much circumspection and patience, but we know just as precisely that, insofar as such solution cannot be achieved, the restoration of normal relations, sincerely desired by us and, to be sure, also wished by the opposite side, would be absolutely impossible.

It is generally known that strong shades of differences in the treatment of the minority problem exist in the three States of the Little Entente, hence it does not seem necessary for us to go into the details of these differences in the present article. In one State there is more to be desired, from the point of view of the Hungarian minority's vital rights which must absolutely be respected, than in the other. It follows from this difference in the treatment of the minority problem that one State must make greater concessions; the other, lesser ones, in order to improve the situation of the Hungarian minority that it attain the measure of conditions of living which is justly due to them. The solution of the problem is not rendered any easier by such differences, but Hungary cannot in any way be held responsible for this.

It is generally known that the policy of the

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LEGATION OF THE
UNITED STATES OF AMERICA

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No. 247. Belgrade, May 11, 1938

Subject: Yugoslav foreign policy: Meeting of Permanent Council of Little Entente at Sinaia, Rumania.

DIVISION OF EUROPEAN AFFAIRS
JUN 1 1938
DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JUN 10 1938
DEPARTMENT OF STATE

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The Honorable
The Secretary of State,
Washington.

Sir:

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Referring to my telegram No. 60 of May 10, 6 p.m., regarding the satisfaction of the Yugoslav Government as to the meeting of the Permanent Council of the Little Entente at Sinaia, Rumania, I have the honor now to amplify the remarks made to me by Dr. Ivo Andrić, Assistant Minister for Foreign Affairs.

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Dr. Andrić said that one of the chief accomplishments of the meeting of the Little Entente was the decision taken that the Little Entente is to continue.

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Such a decision, he added, might be regarded by some as a statement of policy of no importance. The truth is, however, that during the past two years there have been so many complaints regarding the lack of efficacy of the Little Entente, that its dissolution had been predicted by many. The Little Entente may, therefore, be considered to be more firmly established now than at any time during the last two years.

As to Hungary, Dr. Andrić said that the chief difficulty with respect to Hungarian rearmament comes from Rumania. It had previously been agreed among the States of the Little Entente that Hungary might rearm, provided Hungary should make a statement of non-aggression with respect to the Little Entente nations. Hungary had replied to this counter proposal by requesting that the Little Entente should make a declaration promising to accord to Hungarian minorities in the respective countries the same treatment as is accorded to other nationals residing in such countries. Yugoslavia is prepared to adhere to such a declaration; but Rumania, feeling that acceptance of the Hungarian proposal would constitute an interference by Hungary in Rumanian affairs, has until now refused to accede to the Hungarian request. The Yugoslav Government considers it a good sign, however, that conversations between Rumania and Hungary are continuing. Despite the absence of agreement between the two countries, the fact that negotiations were not broken off augurs well. The Czechoslovak and Yugoslav Governments requested the Rumanian Government to act as spokesman for the three, in view of the greater interest which Rumania

has

has in this minority question, due to the fact that the chief objection to the issuance of a declaration regarding the treatment of Hungarian minorities arose on the part of the Rumanian Government.

Dr. Andrić said that Czechoslovakia has already sent a representative to that part of Spain occupied by General Franco, a move coinciding with steps already taken by Rumania and Yugoslavia as members of the Balkan Entente. As to recognition of the conquest of Ethiopia, all members of the Little Entente had already accredited envoys to the King of Italy and Emperor of Ethiopia. It was decided, however, at the meeting at Sinaia, to authorize Mr. Comnen to speak for the Little Entente in his capacity as member of the Council of the League of Nations, and to accept the British proposal for the settlement of the question of the recognition of the conquest in so far as States which are members of the League of Nations are concerned. Regarding the League of Nations, Dr. Andrić said that the Little Entente had decided to cooperate with the League wholeheartedly.

Dr. Andrić said that one matter which had received the attention of the Permanent Council of the Little Entente at Sinaia was that of the navigation of the Danube. The Danube Commission, he said, requires reorganization due to the resignation of Germany and the political disappearance of Austria. Due to the fact that Vienna was formerly the seat of this commission, it will be necessary to obtain agreement regarding the future meeting place. He added that it has been suggested that Belgrade will be the place chosen,

but

but nothing has as yet been decided. The technical problems dealing with the Danube situation will be worked out by experts as soon as the Commission is reorganized.

With a view to eliciting an expression of opinion from Dr. Andrić on the subject of Czechoslovakia, I remarked that I had noticed in the last two months a distinct change in the general attitude here towards Czechoslovakia: that at the present moment there seems to be a feeling amounting virtually to indifference as to whether Czechoslovakia meets the same fate as Austria. Dr. Andrić said that it is true that there has been a change of attitude generally which, in his opinion, is due to a desire to avoid war at all costs. He said, however, that he thought the negotiations, which would shortly take place regarding the concessions to be made by Czechoslovakia with respect to the Sudeten Germans, would end peacefully. He added that the crux of the question is whether or not the Czechs would defend themselves in the event they are attacked by Germany. He said that Czechoslovakia would probably not defend itself against the more powerful German armies unless it were assured of the assistance of both France and Great Britain. France on the other hand would not go to the aid of Czechoslovakia unless England should likewise fight; and from recent statements in the House of Commons there is great doubt as to whether England would join. Nevertheless, he added, one should not endeavor to prophesy what changes will be wrought in public opinion, either in England or elsewhere.

The

The French Minister, Mr. Raymond Brugère, with whom I spoke on May 9, said that he had just returned from Paris, where he had seen Mr. Georges Bonnet, the Minister for Foreign Affairs, on several occasions. Mr. Brugère said that he is convinced that France will come to the aid of Czechoslovakia in the event that Czechoslovakia is attacked by Germany. He said that there is no question regarding the attitude of the French Government on this point. On the other hand, he expressed the opinion that the Germans would undoubtedly endeavor to settle the question of the German minorities in Czechoslovakia in a peaceful manner, possibly through internal organization and propaganda, in which event the turnover or revolution would be purely an internal matter and would not justify the intervention of any foreign power.

Dr. Andrić stated to me on May 9 that Dr. Stojadinović, the Prime Minister, is optimistic regarding the general European situation, feeling that Germany will not risk going to war for the sake of Czechoslovakia. When I remarked that I too have been optimistic for the last two years, for the simple reason that in my opinion no nation except perhaps one really wished war, Dr. Andrić said that that is precisely the feeling of the Yugoslav Government: that neither France, England, Germany, nor Italy wish war, and will do everything to prevent it. If Hitler can obtain his desires through peace, why should he go to war? Dr. Andrić said that the only country to profit by war would be the Soviet Union, provided, of course, that that nation would not take part

therein.

therein. The Soviets, he added, would rejoice to see Western Europe destroy itself in major warfare, thus affording the Soviets an opportunity to inculk Bolshevistic doctrines throughout the world.

From a Yugoslav official source I have been confidentially advised that Mr. Stojadinović expected to be reproached by the Czechoslovaks at Sinaia because of his leaning towards Germany, a policy which had resulted in weakening the resistance of Czechoslovakia towards pressure from Berlin. According to my informant, Mr. Stojadinović was surprised and delighted that he was not the target for attacks against Yugoslav policy. He took advantage of the good feeling to indicate clearly that Yugoslavia will not oppose the unification of Sudeten Germans in Czechoslovakia with Germans of the Reich. It appears that Dr. Stojadinović remarked, presumably at one of the official meetings of the Permanent Council at Sinaia, that the Kingdom of Yugoslavia was formed through the fusion of all Yugoslavs. Yugoslavia, therefore, must be grateful to the principle of nationalities; and to be consistent it cannot object to Germany's desire to unite all Germans. The Department will recall that Dr. Stojadinović in his talk with me on March 12, as reported in my despatch No. 177 of March 17, 1938, indicated that Yugoslavia approved of the principle of nationalities as outlined in President Wilson's Fourteen Points, and therefore could not object to the union of the Germans of Austria with the Germans of the Reich. It will be recalled that the German Minister, Herr Viktor

von Heeren, stated to me on February 15, as reported in my telegram No. 20 of February 17, 6 p.m., that Italy, recalling the steps taken to secure the unification of Italy, fully recognizes Germany's desire to unite the German race. I venture to invite the Department's attention to the fact that the opinion of the Yugoslav Government has evidently changed between the time of my talk with Dr. Stojadinović on March 12 and that of my recent talk with Dr. Andrić. On March 12, Dr. Stojadinović indicated that there was little danger of Hitler proceeding further, at least for the present, and that Czechoslovakia would undoubtedly strongly resist a German attack. Now the Yugoslav Government believes that the union of the Sudeten Germans with the Reich will be effected without bringing about a general European war.

Regardless of Dr. Andrić's statement regarding the continuation and strengthening of the Little Entente, I am of the opinion that the Little Entente and the Balkan Entente have little more practical value in European affairs than the absurdly impotent Baltic Entente. Economically, because of Yugoslav dependence on the German market, as well as on Italy in a minor degree, Yugoslav trade with Czechoslovakia and Rumania has fallen off appreciably. Politically, there would seem to be little advantage to Yugoslavia to maintain the fiction of the Little Entente, due to the fact that the purpose of the Little Entente no longer exists,-namely, to prevent the States of the Little Entente from aggression by the Hapsburgs. Furthermore, because of Hungary's dependence on Germany, and because of Germany's present

undisputed

undisputed prestige and power, neither Rumania nor Yugoslavia would desire to offend Germany through any aggressive steps against Hungary.

Dr. Stojadinović has spoken to representatives of Great Britain, France, and the United States, regarding his desire to increase his country's trade with those countries at the expense of Germany. It is not clear, however, that he has been able to free himself from German and Italian political control. It is understood that the Italian Minister recently advised Mr. Stojadinović against making elaborate preparations in the reception of foreign statesmen, the inference being that only representatives of the Berlin-Rome axis should be accorded the highest honors. The suggestion which seems somewhat out of keeping, in view of the extravagant outlay made by the Italian Government in the case of Stojadinović's visit to Rome, has apparently had an effect, for the reception given to the Turkish Prime Minister and the Turkish Minister for Foreign Affairs, both of whom are now in Belgrade, has been pathetically meager.

The fact that Prince August Wilhelm, third son of the former German Kaiser and a leading figure in the Nazi Party, was recently allowed to address the German Colony here on political matters, further indicates Yugoslav subservience to Berlin. It is to be remarked in this connection that a Yugoslav politician would not be permitted to address his co-nationals in Yugoslavia unless the Government should give permission. Prince August Wilhelm's speech, therefore, created among Yugoslavs generally an unfortunate impression, not

only

only against Germany but against the Yugoslav Government as well. Furthermore, a move directed against Jews in Yugoslavia is now apparent. Such a move has been reported as taking place in various Clubs, with a view to eliminating Jews from membership therein. A member of the former Austrian Legation in fact has stated to me that Yugoslavia cannot be considered as a harbor for Jews in the future. When I inquired of this gentleman, who is now Secretary of the German Legation, regarding the reasons for such a policy, he added, with a shrug of his shoulders, "You must not forget that Yugoslavia is now a neighbor of Germany".

If the present policy of the Yugoslav Government as reported in recent despatches from this Legation may appear to be confused and erratic, it is, I believe, because Stojadinović is pursuing an opportunistic policy, charting his course according to developments and not according to any carefully worked out and steadfast plan.

Respectfully yours,

Arthur Bliss Lane

Arthur Bliss Lane

File No. 710

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NOTE

SEE 760f.62/402 FOR Tel. #74, 6pm.

FROM Yugoslavia (Lane) DATED June 8, 1938.

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REGARDING: Balkan relations.

Statement by Yugoslav Foreign Office that the general Balkan situation was much improved due to decision of other members of Balkan Entente to follow Yugoslavia's lead in a more friendly attitude towards Bulgaria.

GDG

hc

536

LEGATION OF THE
UNITED STATES OF AMERICA

~~EU~~
~~PAID~~
~~A-M/C~~

No. 273. Belgrade, May 25, 1938

Subject: Interview with Dr. Stojadinović; meeting of Permanent Council of Little Entente at Sinaia.

Confidential

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JUN 21 1938
DEPARTMENT OF STATE

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JUN 15 1938
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The Honorable

The Secretary of State,

Washington.

DEPARTMENT OF STATE
A-M/C
JUN 23 1938
ASSISTANT SECRETARY
OF STATE

Sir:

GMB
FILED
JUL 7 1938

Referring to my telegram No. 60 of May 10, 6 p.m., and to my despatch No. 247 of May 11, 1938, regarding the recent meeting of the Permanent Council of the Little Entente at Sinaia, I have the honor to report that on May 21 the Prime Minister, Dr. Milan Stojadinović expressed himself to me substantially as follows:

The main general purpose of the Sinaia meeting was to coordinate the respective policies of the Little and Balkan Ententes. This had been accomplished, with

respect

respect to Spain, by sending unofficial representatives to Burgos and, with respect to the recognition of the conquest of Ethiopia, by accrediting diplomatic representatives to the King of Italy and Emperor of Ethiopia.

As to the rearmament of Hungary a discussion took place regarding minorities in Czechoslovakia, Rumania, and Yugoslavia. Hungary did not wish to sign an agreement with Czechoslovakia until the provisions of the nationalities statute are known. This statute will apply to the Hungarian minority, as well as to the Sudeten Germans. Yugoslavia would have no difficulty in signing independently with Hungary an agreement regarding Hungarian minorities. He feared that if he did so he would again be blamed for being rash, as he had been blamed for his rapprochement with Rome and Berlin and for his having signed the treaty of perpetual friendship with Bulgaria. He did not wish to incur such blame again; therefore he proposed a compromise: each state was to attempt to reach an oral agreement with Hungary but no state would conclude a written agreement until all three states were ready to conclude a joint written agreement with Hungary. Yugoslavia is already in agreement; Hungary is awaiting developments and the passage of the nationalities statute before negotiating with Czechoslovakia; and the Rumanian-Hungarian negotiations are proceeding unsatisfactorily, due to the importance of the Hungarian minority in Rumania. (As reported in my despatch No. 247, the Assistant Minister for Foreign Affairs has indicated

that

that Rumania's objections to the acceptance of the Hungarian proposals are that consummation would constitute Hungarian interference in Rumanian affairs.)

Respectfully yours,

Arthur Bliss Lane

Arthur Bliss Lane

2/4/20

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LEGATION OF THE
UNITED STATES OF AMERICA

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No. 276. Belgrade, May 27, 1938

Subject: Meeting of the Permanent Council of the Little Entente at Sinaia; relations with Hungary.

DIVISION OF EUROPEAN AFFAIRS
JUN 15 1938
DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JUN 16 1938
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The Honorable

The Secretary of State,

Washington.

Sir:

Referring to my despatch No. 273 of May 25, 1938 relating to the attitude of the Prime Minister, Dr. Milan Stojadinović, at Sinaia, I have the honor now to report remarks which have been made to me by my British colleague, Sir Ronald H. Campbell, which throw a somewhat different light on what Mr. Stojadinović claims to have initiated at the meeting of the Permanent Council of the Little Entente.

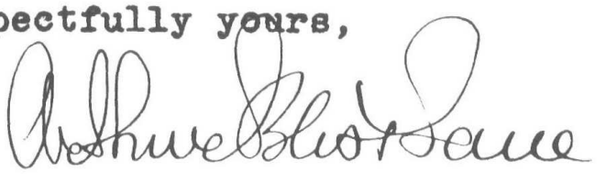
GMB

FILED
JUN 30 1938

According

According to the British Minister, his colleague in Bucharest reported that the reason that Mr. Stojadinović did not make an independent written agreement with Hungary, regarding Hungarian minorities in Yugoslavia, was not because of any fear of being blamed, but because Czechoslovakia and Rumania insisted that he could not take action which would make it appear as though the Little Entente were not functioning as a whole. Sir Reginald Hervey Hoare, the British Minister at Bucharest, appears likewise to have quoted Mr. Comnen, the Rumanian Minister for Foreign Affairs, as stating that the Rumanians and the Czechoslovaks were agreeably surprised by the attitude which Mr. Stojadinović assumed at Sinaia; that they expected that they might have difficulties with him; but that no trouble of any kind arose.

Respectfully yours,



Arthur Bliss Lane

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ITALIAN PRESTIGE IN THE BALKANS
AND FAR EAST.

Division of FAR EASTERN AFFAIRS
JUL 16 1938
Department of State

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JUL 25 1938
DEPARTMENT OF STATE

From:

Clerk George Whittinghill

Milan, Italy. Date of Completion: June 20, 1938.

Date of Mailing: June 22, 1938.

FILED
JUL 29 1938

Approved by:

Walter H. Sholes
American Consul General

FP

I have the honor to report that the leading editorial article appearing in this week's issue of "Relazioni Internazionali" of Milan, (June 11, 1938 No. 24) a well-known and important political publication, deals at length with Count Galeazzo Ciano's opening speech at the National Convention for the Study of Foreign Policy, delivered earlier in the month at Milan.

It is noted that continued maintenance of Italian pestige in the Far East "where Anglo-Saxon policy remains non too well defined" is advocated by the writer who also declares that the character of Italian foreign policy is one of "fundamental ethics"; furthermore, that the Italian Regime feels its international obligations are moral cannons "which with friendly nations are carried out to the very end". This latter assertion which has been noted quite frequently in various publications in recent months, appears to be an effort by Italian propaganda agencies to offset the opinion - generally shared throughout the Chancelleries of Europe - that Fascist Italy is an unreliable ally. Moreover, it would seem that these expressions of opinion are meant particularly for German and British consumption since both Nations are signatories to important bi-lateral agreements with the Kingdom. The opinion that Italy's foreign policy is a constantly vacillating theme is not a new one, but following Italy's desertion of Austria at the time of the Anschluss the international press has made

many

many references to Italy's frequent political volte faces, and hence the Duce's Genoa speech and Count Galeazzo Ciano's recent utterances in Milan both referred to Italy's "reliability" apparently in an effort to reassure both Berlin and London.

Rome-Berlin Axis

Referring to "the community of interests between Germanism and Romanism, besides the historical ties which are easily discernible to anyone interested in making any such researches, and a new and profound comprehension between the two peoples", this editorial points out that Italy's adhesion to Germany and to Japan affirms "that unity of ideal values born of tradition, patriotism and sacrifice which represent the best guarantee for a firm friendship and for lasting success".

Italy and the Balkans

Referring in particular to the Balkan situation, which continues to be one of the focal points of Italian interest, following reports of increasing German political and commercial successes in those spheres - to a great extent a result of Italian demarche, first, commercially following the ill effects of sanctions; secondly, politically, as a result of Austria's absorption by the Reich - the "Relazioni Internazionali" affirms that "It must be clearly stated that Italy will never be able to disinterest itself in the Balkans. Their importance for Italy is created by their very geographical position. Italian policy does not seek any political or economic advantages in the Balkans, nor any privileges or preferences, but is inspired only by a desire for peaceful

cooperation

cooperation...though productive and commercial Italy must be ready for greater economic evolution in the Balkans.."

Italy and the Far East

No less importance is attached to the situation in the Far East, where Italy is stated as having a particular position of prestige. "Commercial interests can and must be developed, while the interdependence of political factors gives this field a particular importance to Italian policy, particularly at a time when Anglo-saxon Powers do not have a well defined policy, France is engaged by internal disorder and Holland with Japan opposing it, is not in a position to defend its possessions in the Indies, must therefore also follow a policy of equal caution. The Rome-Tokio Berlin triangle represents in that zone, besides a sound political entity, also an element of defense against Bolshevism", concludes this editorial.

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NOT FOR PUBLICATION

ITALIAN POLITICAL AND COMMERCIAL OBJECTIVES IN THE BALKANS AND DANUBIAN EHROPE.

(With a Preface by Consul General Walter H. Sholes.)

RECORDING DESK
FILE C.B.M.
JUL 26 1938
ASSISTANT SECRETARY
OF STATE

From:

George Whittinghill

Clerk George Whittinghill

ADVISER ON POLITICAL RELATIONS
MR. DUNN
JUL 26 1938
DEPARTMENT OF STATE

Milan, Italy. Date of Completion: June 18, 1938.

Date of Mailing: June 18, 1938.

Approved by:

Walter H. Sholes

American Consul General

FP

I N D E X

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STRICTLY CONFIDENTIAL

Preface.

With the Reich's absorption of Austria and German frontiers now extended to Hungary, Jugoslavia and Italy, a new vista was opened upon the European scene and particularly upon the Balkans. Already, one of Europe's foremost trouble centers, the added presence of so powerful and dynamic a neighbor, has no doubt given pause for much thought in the chancelleries of Europe. Indeed, signs are not lacking that careful inventory has already been taken of the new situation by Rome and Belgrade, as witnessed by the recent pourparlers at Venice.

It will not have escaped general notice that Prime Minister M. Stoyadinovitch of Jugoslavia "did not proceed to Berlin" to discuss recent developments in the Balkans. He went to Venice, where he and his experts exchanged views with the Duce's son in law and Foreign Minister. The Belgrade Government, like others, has been impressed by the "negative attitude" pursued by the Duce during the German-Czech crisis (again using my Jugoslavian Collegue's expression), and the German-Hungarian rapprochement. The significance of his visit to Italy has doubtless not escaped the Fuehrer.

It should be of no little interest, therefore, to examine briefly the present position of some of the leading actors in the Danubian Basin and particularly the various forces at work in the Balkans where the prestige and economic future of both Rome and Belgrade appear at stake. To maintain as far as possible their present position in the Danubian Basin visa vie of the Reich, preferably within the frame work of the Rome-Berlin axis,

therefore,

therefore, seems to be the immédiate objective of both Governments and Mr. Soyadinovitch's sudden and surprise conversations with Count Galeazzo Ciano should be seen in this light.

Put briefly, the purpose of the Venice pourparlers may be summed up as follows:

1. To find a common and fruitful basis for Italian and Yugoslavian political and economic cooperation in the Balkans,

2. To conserve to Italy exportable surplusses of raw materials, minerals (copper and iron ores) and foodstuffs.

3. Eventually, the consumation of a military pact.

In this connection, sight must not be lost of the great changes taking place in Yugoslavia. Under Mr. Stoyadinovitch the country is committed to an impressive industrial and self-sufficiency programme and now in need of fresh capital. The dinar is weak. Italy is also greatly in need of loans and would welcome a degree of British financial cooperation, cooperation which is already of record, in other parts of the Balkans, not without arousing a certain amount of German ire.

W. H. S.

.....

In the past half a decade Italian commercial enterprises throughout Central and South-Eastern Europe in general have not been able to hold their own while commercial activity in those spheres has been registering remarkable advances. As things stand now, there is every reason to believe - discounting the often circulated reports that Germany and Italy intend to divide Danubian and Balkan Europe into two spheres of politico-economic influence - that this trend will continue in favor of Germany who, moreover, has language, business traditions and commercial organization in her favor.

The following review of the present position of both Germany and Italy in the Balkans, and their aims, should therefore be of interest to students of the present day situation in the Balkans. A "breakdown" of the comparative trade positions of Italy and Germany in Danubian Europe and the Balkans in the last decade is offered by the following table, compiled on a percentage basis of the total imports and exports of the following countries:*

		Italy		Germany	
	Year	Imports	Exports	Imports	Exports
Bulgaria	1929	10.7	10.5	29.8	42.4
	1932	15.6	12.5	31.9	41.0
	1937	5.0	4.2	58.2	47.1
Greece	1929	5.6	18.3	10.6	25.6
	1932	4.7	16.5	11.9	18.7
	1937	3.0	6.0	29.6	32.2
Hungary	1929	4.7	9.7	33.2	42.1
	1932	15.6	7.8	38.0	45.3
	1937	7.3	15.9	44.2	41.0

Italy

*Statistics obtained from the Institute for the Study of International Policy, Milan.

		Italy		Germany	
	Year	Imports	Exports	Imports	Exports
Rumania	1929	6.6	7.7	36.6	37.0
	1932	11.0	10.6	28.6	18.7
	1937	4.4	7.4	38.0	26.9
Yougos-lavia	1929	10.8	24.9	33.0	24.1
	1932	12.7	23.1	31.0	33.4
	1937	8.2	9.4	42.7	35.2

Yugoslavia - Thermometer of Italian Trade in the Balkans.

The commercial relations between Italy and Yugoslavia reached their apex with the signing of an Accord on March 25, 1937. This pact is a modification and an improvement of the 1924 Treaty of Rome. The main purpose of the Accord appears to be more of political value than one of far reaching economic effects, as it was signed at a time when it had become obvious that the German programme called for vast commercial expansion in the Balkans.

Since the Austrian Anschluss the Italo-Yugoslav Accord has served to partly offset further immediate German trade advances in Yugoslavia as Italian goods have a priority in many commodities, thanks to this treaty. Furthermore, the Italo-Yugoslav Accord has succeeded to a certain extent of eliminating French and Little Entente political and commercial interests in Yugoslavia, while - through the medium of Rome - a closer understanding has also been attained between Budapest and Belgrade. Another aspect of this Accord is the fact that during the sanctions period Italy lost heavily in the Yugoslavian market - principally to Germany - and hence it can also be considered as an attempt of the Fascist Regime to regain its previous position in Yugoslav imports and exports. Nevertheless,

theless, a brief examination of Italian export figures to Yugoslavia show that Italy has steadily lost ground, while Germany exports to that country have been making marked gains.

In 1932 Yugoslav exports to Italy amounted to 23% of its total foreign trade, while imports from Italy were 13% of its entire purchases abroad. By 1937 Yugoslav exports to Italy had fallen to 9% and imports from the latter had also reached the level of 8% of the total two-way trade, while during 1937 Yugoslav exports to Germany amounted to the surprising figure of 35%, while imports from the Reich reached 43% of the total export and import figures.* However, Italian commercial authorities appear to be quite optimistic about the improvement of trade between this country and Yugoslavia, which, it is forecast, will show far better results by the end of 1938, since it is pointed out that a recent internal loan issued by Belgrade will enable Yugoslavia to buy principally arms, railway equipment and other manufactured goods from Italy in exchange for Italian purchases of raw materials and foodstuffs.

Albania of Strategic Importance to Italy.

By a commercial treaty signed between Italy and Albania on September 2, 1925, the Italian Regime began its almost complete monopoly over Albanian foreign trade. A 100,000,000 gold francs free-of-interest loan to Albania in July 1931, and a commercial accord in March 1936 further increased the Italian hold not only on Albanian trade - which is almost entirely financed by Italian concerns

*Figures obtained from the Institute for the Study of International Policy, Milan.

concerns - but indirectly also on the foreign relations of that country. Approximately one fifth of the total exports of Albania consist of petroleum and bituminous products (of a very low quality) - raw materials of great importance to Italy - andtthe remainder is divided between wood, cattle, skins, wool, olives and dairy products, and a great majority of these exports are consumed by Italy. In 1936 - out of total Albanian exports valued at 7,434,621 gold francs, Italian purchases amounted to 4,954,164 gold francs. From the same period Italian exports to Albania were 4,186,656 gold francs, compared to 12,590,649 gold francs exported to Albania from all other countries.*

A further grip on Albanian finances and trade was established in 1936 by an additional loan of 25,000,000 gold francs, credits for the 1931 100,000,000 gold francs loan having been annulled. It is also worth pointing out that the Italian Government has a monopoly on the entire tobacco production of Albania and has a long term concession on the output of petroleum.

Italian interest in Albanian affairs is not only dictated by a desire for close trade ties but is also due to the Regime's necessity to maintain control of the Adriatic in order to secure a footing for the Italian army in the Balkans, if needs be.

Rumania, Bulgaria and Greece are Still Inclined Towards Trade and Old Political Alliances.

Although Italy exports a few commodities - in each case less than 10% of its total exports - to Rumania, Bulgaria and Greece, and imports still less from these countries

*Statistics obtained from the Institute for the Study of International Polity, Milan.

countries, it is understood that the Fascist Regime is conducting an active drive to boost its trade in those sphere of the Balkans. On March 15, 1938, a new trade agreement was signed between Italy and Greece with this aim in view.*

Figures over a period of eight years - beginning in the boom year of 1929 - show an alarming decrease of Italian trade with the above nations. For the present time, it would seem unlikely that the Fascist Regime will make any appreciable headway in that direction, due to two main factors. First, Rumania and Bulgaria appear to be still under the political influence of Great Britain as was seen by their willing adhesion to the recent Pact of Athens even, though German commercial enterprises - judging from the latest trade reports - appear to be making considerable progress in those countries. Therefore bi-lateral or tri-party trade agreements favored by Italy - usually with a political purpose in the immediate background - do not appear to be likely at present between Italy, Rumania and Bulgaria. Second, since Italy can only pay for a very small proportion of its foreign purchases in free currency, any commercial agreements between Rumania, Bulgaria and the Regime would presumably have to be drawn up through a "clearing" arrangement, and since both France and England are already good cash customers of these countries and other excess raw materials are being increasingly absorbed by the Greater Reich, Italy's chance to augment its commercial activities in that sphere of the Balkans not only seems to be slim, but

appears

*Please see this Consulate's report, dated June 15, 1938, entitled "New Italo-Greek Trade Agreement", File No. 631.

appears to be likely to suffer even greater reverses.

The following figures will give some idea of the steady decline of trade between Italy and the above mentioned countries:

Italian Exports and Imports*
(percentages of total foreign trade)

Year	Rumania		Greece		Bulgaria	
	Exports	Imports	Exports	Imports	Exports	Imports
1932	10.6	11.0	16.5	4.7	12.5	15.6
1937	7.4	4.4	6.0	3.0	4.2	5.0

Italian Effort to Keep Rome Protocols Active in Hungary.

Since the Italo-Austro-Hungarian commercial pact of August 26, 1933, sometimes known as the "Rome Protocols", was strictly a tri- party reciprocal accord, the annexation of Austria has been a blow to Italo-Hungarian trade, particularly as a good proportion of the shipments between the remaining signatories are now being routed through Yugoslavia, with the subsequent increased cost of transportation. At the same time the annexation of Austria was an actual infringement of the spirit of two of the clauses of the Rome Protocols which stated: (1) "Italy recognizes the full right of independence of Austria and Hungary with the obligation to tutor these rights"; (2) "...Italy recognizes the importance of supplying all the necessary elements, among which are economic ones, which can aid the resistence of the two States and hence their independence."**

Furthermore

*Statistics obtained from the Institute for the Study of International Policy, Milan.
**Quotation of a resumé of the "Rome Protocols" appearing in the "Accords of Rome between Italy, Austria and Hungary, as directives for the solution of the Danubian Problem", issued by the Institute for the Study of International Policy, Milan, October 15-16-17, 1936, Page 13.

Furthermore, with the Greater Reich now attending to the borders of Hungary it would appear that two-way traffic between Italy and Hungary (which will now either have to go through the Greater Reich or through Yugislavia) will be further effected, particularly as Germany is on the market for the same Hungarian products (chefly wheat) which were previously exported to Italy. Unfortunately, at the present time figures for exports and imports between Italy and Hungary since the Austro-German Anschluss are not available, but it is unofficially reported that the next few months will show a decided slump in this field, indicating that a not unworthy percentage of Hungarian merchandise, and a demand for Italian goods in Hungary has now been diverted to the Greater Reich.

What Italy's possibilities on the Hungarian market, and vice versa, will be in the near future, and what commercial value the "Rome Protocols" will continue to have remains an unanswerable question at the present time, but it would seem clear that in this sphere of Danubian commerce Italy is also destined to suffer definite reverses, even though commercial circles in the Kingdom believe that the five-year plan recently initiated by Dr. Imredy of the National Bank of Hungary with credits for a billion Pengos will necessitate considerable purchases from Italy.

A casual scrutiny of the following figures will show that, even before the Anschluss (though German commercial interests have been reported to have been making marked progress in the Danubian basin long before the actual annexation of Austria), Italo-Hungarian trade was on the decline. From January 1, 1938 to April 30, 1938, the Kingdom imported Hungarian products for a value of

Lire

Lire 76,131,000, as compared to Lire 138,319,000 for the same period of 1937; while Italian exports to Hungary from January 1 to April 30, 1938 amounted to Lire 43,066,000 as against Lire 62,391,000 for the same period of 1937.*

Anschluss an Important Factor in Increasing German Commercial Leadership in the Balkans and Danubian Europe.

Although the protocols signed in Berlin in October 1936, between Count Galeazzo Ciano and Baron von Neurath, regulating the so-called spheres of commercial interest in Central and Balkan Europe, presumably granted equal paper rights to Germany and Italy, there seems no doubt that since that time the far superior organization of German business enterprises abroad, besides the considerable subsidies extended to German firms by the Government of the Reich, German economic and commercial penetration in those spheres have left Italy far behind. Furthermore, in many instances, according to reports current in the Kingdom, German business deals have been made at the actual expense of Italy. In contrast to this, reports have appeared recently in leading Berlin financial journals and the Manchester Guardian to the effect that the two Fascist Regimes were planning the creation of a join economic league which would bring Spain and the States of Central and South-Eastern Europe into a half closed economic unit. The object of the scheme, reportedly, would be to place the raw material producing countries of South-Eastern and Balkan Europe in the same position towards Germany as the Dominions are towards Britain. The associated States would be economically united by a system of preferential duties, and financially would be closely united with Germany and Italy

*Statistics obtained from the Statistic of Imports and Exports, issued by the Central Institute of Statistics of Rome, for the periods of Jan.1,1937-April 30,1937,page 172, and Jan.1,1938-April 30,1938,page 178, respectively.

Italy through the latter countries' exchange control restriction. When one considers what advances have already been accomplished by Germany in Danubian Europe in the past two or three years, and their economic penetration of Spain in the part now under the domain of General Franco, this plan does not appear as far-fetched as would seem at first thought.

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WHS/GW/vp.

Original and 4 copies for Department of State.
One copy for Embassy, Rome.
One copy for Supervising Consulate General, Naples.

TELEGRAM RECEIVED

JR
This telegram must be closely paraphrased before being communicated to anyone. (C)

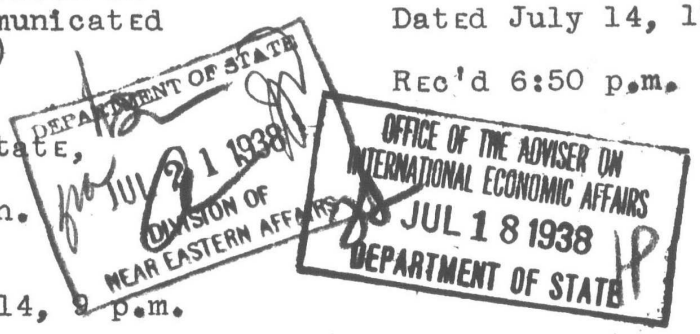
FROM Sofia

Dated July 14, 1938

Rec'd 6:50 p.m.

DEPARTMENT OF STATE
JUL 21 1938
DIVISION OF NEAR EASTERN AFFAIRS

OFFICE OF THE ADVISER ON INTERNATIONAL ECONOMIC AFFAIRS
JUL 18 1938
DEPARTMENT OF STATE



Secretary of State,

Washington.

13, July 14, 9 p.m.

STRICTLY CONFIDENTIAL.

I called on the Prime Minister today with regard to his open declaration that foreign economic penetration was without political significance. Reference was also made to radio broadcasts that England was prepared "without prejudice to Germany's foreign trade to increase her trade with Balkan States". The Prime Minister recalled that when King Boris visited London last November he talked with Chamberlain pressing that Bulgaria and probably other neighboring countries would welcome a chance to expand their foreign trade in order not to be mainly dependent upon Germany. Subsequent to that time England had cultivated her relations with Turkey and Greece but it was from Rumania after the anschluss that England definitely interested herself in a wider Balkan bloc. Meanwhile the inter-relationship between the Balkan States themselves had improved and Bulgaria without accepting whole-heartedly England's indorsements decided

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JUL 23 1938

FP Confidential File

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to approach the neighboring Balkan States as to a further extension of Bulgarian rearmament beyond treaty limitations. During the past three months it has been ascertained that all the countries of the Balkan Pact were agreeable dependant on an acceptable formula which is now being sought. With the arrival of the new British Minister the question was broached with London and the British Government after consultation with Paris stated neither of those governments would interpose objections. Present conversations with London envisage increase of imports from Bulgaria who in turn will purchase considerable of her new war material from England partially supplanting German equipment proven not wholly satisfactory. The Prime Minister said no part was played by France in recent discussions but that London had taken upon itself to keep Paris informed.

874.24

ATHERTON

RR:KLP

Central File: Decimal File 770.00, Political Relations Of States, Relations; Bi-Lateral Treaties., Balkan States And The World, December 12, 1933 - September 13, 1938. December 12, 1933 - September 13, 1938. MS Turkey, Greece, and the Balkan States: Records of the U.S. Department of State, 1930-1944: Records of the Department of State Relating to Political Relations of Turkey, Greece, and the Balkan States, 1930-1939. National Archives (United States). Archives Unbound, link.gale.com%2Fapps%2Fdoc%2FSC5111388021%2FGDSC%3Fu%3Domni%26sid%3Dbookmark-GDSC. Accessed 21 June 2025.